



2025 TRIPLEGUARD™ INSURANCE

Policy Terms and Conditions

Policy Number 8619962



Issued by Zurich Insurance Company Ltd.
(Canada Branch)



TRIPLEGUARD POLICY TERMS AND CONDITIONS

TRIPLEGUARD INSURANCE – SECTION 1

PART A– OFFICE CONTENTS

ARTICLE 1 INSURING AGREEMENT

1.1 Insuring Agreement

If the property located or contained as described in the Memorandum of Insurance shall be lost, destroyed or damaged by the perils insured against, we will indemnify the Insured against such direct physical loss or direct physical damage to a maximum amount not greater than the limit of liability for the applicable section or subsection. Where this insurance applies to the property of more than one person or interest, our total aggregate liability for direct physical loss and direct physical damage sustained by all such persons and interests shall be limited to the limit of liability for the applicable section. Unless otherwise stated elsewhere in this Policy, all limits of insurance shown on the Memorandum of Insurance and elsewhere in this Policy represent the most the Insurer will pay (for the applicable coverage provided) for loss or damage in any one Occurrence. The term “**Occurrence**” wherever used in this Policy, unless otherwise defined, means all loss(es) or damage that is attributable directly or indirectly to one cause or series of similar or related causes. All such loss(es) or damage will be treated as one occurrence.

ARTICLE 2 PROPERTY INSURED

2.1 Dental equipment

This Part A insures all contents of every description usual to a dentist’s office and/or surgery, and/or the offering of Related Services including:

- (a) Dental equipment and instruments, tools, materials, drugs and supplies usual to the dental profession or the Related Services, furniture, fixtures and equipment, data processing equipment and media, interior and exterior signs and personal effects.
- (b) Tenant’s improvements and betterments, meaning fixtures, alterations, installations or additions:
 - (i) Being part of a building the Insured occupies but does not own; and
 - (ii) Acquired or made at the Insured’s expense.
- (c) Property of others for which the Insured is responsible or may have assumed responsibility.
- (d) Betterments and leaseholds when the Insured is a condominium unit owner,

All while at the address shown in the Memorandum of Insurance or temporarily removed from such address or, in respect to property (other than jewelry, precious or semi-precious stones or furs) while in transit within Canada and the Continental United States of America.

In the event a loss occurs outside the territorial limits of Canada and the continental United States of America, the maximum amount of coverage is \$10,000.

2.2 Glass

This Part A covers all glass (including seals, lettering and ornamentation), and any type of skylight of any materials, forming part of or contained in or on the Premises occupied by the Insured as a dental office.

2.3 Employee and Associate Effects

At the Insured's option, this Part A insures personal property of the Insured's employees and Associates, subject to a limit of \$5,000 for any one person, subject to an annual aggregate limit of \$15,000. This insurance shall not attach if the property is insured by the owner unless the Insured is obligated to insure it or is liable for its loss or damage. This coverage shall only apply to direct physical loss or direct physical damage occurring at a location described in the Memorandum of Insurance.

2.4 Fire Department Charges

We will pay Fire Department charges assessed against the Insured where the Fire Department is called to save or protect covered property from a peril insured against, at the Insured's Premises, or at other premises if the Insured's Premises are exposed to direct physical loss or direct physical damage. No deductible applies to this coverage.

2.5 Lock Replacement

We will pay a maximum of \$10,000 for the replacement of office locks if the keys to operate the locks are stolen during a burglary or stolen in conjunction with theft of other property. No deductible applies to this coverage.

2.6 Newly Acquired Property

This Part A automatically covers all newly acquired property of the kind insured herein, anywhere within the territorial limits of Canada and the Continental United States of America, to a maximum limit of \$100,000. You must file notice of such acquisition with CDSPI within thirty (30) days of such acquisition. Premium will be adjusted from the date of acquisition.

2.7 Debris Removal

We will pay expenses incurred in the removal of debris which may be occasioned by direct physical loss or direct physical damage by a peril insured against under this Policy. Coverage provided by this Section 2.7 shall be an additional amount of insurance equal to 10% of the amount specified as the basic sum insured for Office Contents.

This Debris Removal coverage does not apply to costs or expenses:

- (a) to Clean Up Pollutants from land or water; or
- (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants.

2.8 Perils Insured

This Part A insures against:

- (a) all risks of direct physical loss of or direct physical damage to the property insured except as specifically excluded; and
- (b) direct physical damage to that part of a building which the Insured occupies but does not own, directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided that the Insured is liable for such damage.

2.9 Unnamed Location Coverage

This Part A automatically covers property of the kind insured under this section anywhere within the territorial limits of Canada and the continental United States of America to a limit of \$50,000 at any location. This Section 2.9 does not apply where coverage is available under Sections 2.1 or 2.6 of Part A nor to jewelry, precious or semiprecious stones or furs.

ARTICLE 3 EXTENSIONS OF COVERAGE

3.1 Valuable Papers And Records

This Part A insures physical loss of or physical damage to Valuable Papers and Records owned by the Insured or held by the Insured in any capacity, provided the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in such property unless included in the Insured's proof of loss to a limit of \$50,000.

This Section 3.1 does not insure against loss or damage:

- (a) directly resulting from errors or omissions in processing or copying unless fire or explosion ensues, and then only for direct physical loss caused by such ensuing fire or explosion;
- (b) to property which cannot be replaced with other property of like kind and quality.

We will pay the additional expense necessarily incurred in the reproduction of the Insured's Valuable Papers and Records because of loss, destruction, or damage caused by an insured peril.

In this Section 3.1, "**Valuable Papers and Records**" means written, printed or otherwise inscribed documents and records, including books, maps, drawings, card index systems, abstracts, deeds, mortgages, manuscripts, films, tapes, discs, drums, cells or other magnetic recordings or storage media for electronic data processing, but excluding money or securities.

3.2 Gold and Other Precious Metals

This Part A insures to a limit of \$25,000 for loss of gold and other precious metals, other than silver alloy (amalgam), but we shall not be liable for loss caused by or resulting from misappropriation, secretion, conversion or any dishonest act on the part of the Insured or other party of interest or any person or persons to whom the property may be entrusted. In addition, such property is also insured against any loss by robbery or attempted robbery from a custodian whether on the Premises or not, including from within the home of a

custodian, and while engaged in his regular duties in connection with such property within the territorial limits of Canada and the continental United States of America.

This Section 3.2 shall include the theft of property from within the Premises by means of compelling a custodian by violence or threat of violence while outside the Premises to admit a person to the Premises or to furnish him with means of ingress into the Premises, provided the loss shall occur before the Premises are next open for business.

3.3 Arson Reward

We will pay a reward in the amount of \$10,000 as an additional amount of insurance, for information which leads to an arson conviction in connection with a fire loss covered under this Policy. Regardless of the number of persons involved in providing information, the most payable in any one occurrence under this Section 3.3 is \$10,000.

3.4 Halon and Carbon Dioxide Discharge

We will pay for expenses actually incurred to a maximum of \$15,000 to recharge automatic halon or automatic carbon dioxide systems which protect the Insured's Data processing operations when they:

- (a) Discharge as a result of a peril insured under this Policy; or
- (b) Discharge accidentally.

The coverage provided by this clause does not apply at the time of installation, repair or recharging of the halon or carbon dioxide system.

No deductible applies to this Section 3.4.

3.5 Fire Extinguisher Recharge

We will pay the expense the Insured incurs, as an additional amount of insurance, to recharge a portable fire extinguisher when it has been used to combat a covered fire. The most payable in any one occurrence is \$500.

No deductible applies to this Section 3.5.

3.6 Elevator Collision

We will pay to a maximum of \$15,000 for direct physical loss of or direct physical damage to the following property caused by accidental collision of any part of an elevator or of anything carried on the elevator with another part of the elevator or with another object:

- (a) elevators;
- (b) any other property the Insured owns, occupies, uses or rents; or
- (c) property of others that is in the Insured's care, custody or control for business purposes and for which the Insured is liable.

3.7 Accounts Receivable

This Part A insures to a maximum of \$50,000 all sums due the Insured from patients, including interest charges thereon, provided the Insured is unable to collect them as a direct result of loss or damage to records of accounts receivable. This Section 3.7 also insures additional expense necessarily incurred in collection procedures and restoration of the Accounts Receivable records.

3.8 Rental Value

This Section 3.8 applies when the Insured is not the building owner. This Part A insures to a maximum of \$50,000 the rental value of that part of the building occupied by the Insured, unfurnished. We shall only be liable where the Premises become untenable as a direct result of the perils insured against for the period of time required with the exercise of due diligence and dispatch to restore same to tenable condition, less such charges and expenses as do not continue.

3.9 Additional Lease Expense

This Part A insures to a maximum of \$50,000 the extra lease expense resulting from loss or destruction of the insured Premises, by a peril insured against, rendering the insured Premises unfit for occupation so that the Insured's lease is terminated under the terms of the lease agreement. The indemnity shall be based on the difference between the monthly rent on the new premises and the monthly rent on the insured Premises multiplied by the number of months remaining on the lease at the insured Premises. The difference shall be calculated on the basis that the new premises are of similar size, condition and location without allowance for improvement.

3.10 Installation

- (a) This Part A insures supplies, equipment and materials, except as excluded below, that are the property of the Insured or the property of others for which the Insured is legally liable, which the Insured has contracted to install or which will be used in completing an installation contract, anywhere in Canada or the continental United States, while such property is in transit to premises of installation or while at premises of installation, awaiting installation or while being installed, it being agreed that coverage on all property ceases when:
 - (i) the Insured's interest ceases;
 - (ii) the property installed has been accepted as satisfactory; or
 - (iii) this Policy expires;whichever occurs first.
- (b) This Section 3.10 does not insure loss or damage:
 - (i) to buildings, but building materials and supplies are covered until such time as they become a permanent part of any installation project completed by the Insured;
 - (ii) to plans, blueprints, designs, specifications or any similar property;
 - (iii) to tools and contractor's equipment of every description;

- (iv) to any installation or part thereof from the commencement of use for purposes for which it was intended;
 - (v) to property while in airborne transit, unless by scheduled airlines;
 - (vi) covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this extension;
- (c) This coverage under this Section 3.10 shall be limited to a maximum recovery amount of \$50,000 in any one loss, disaster or casualty either in case of partial or total loss or salvage or other charges or expenses or all combined and subject to a \$1,000 deductible per claim.

ARTICLE 4 EXCLUSIONS

4.1 Property Excluded

This Part A does not insure:

- (a) animals, birds, fish and growing plants (except fish and growing plants are insured against fire, explosion, smoke, theft, malicious act(s) and leakage from any plumbing, heating or air conditioning system);
- (b) money, securities, notes, stamps, passports, tickets, gold and other precious metals, except as provided under Article 3. This exclusion does not apply to silver alloy (amalgam);
- (c) accounts, bills, deeds, evidences of debt, valuable papers, records, abstracts, manuscripts or other documents except as they may be converted to Data Processing Equipment and Media form or as provided under Article 3;
- (d) property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law;
- (e) the building at the location specified in the Memorandum of Insurance issued to the Insured except to the extent that coverage is explicitly provided under this Part A;
- (f) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the Premises of the Insured;
- (g) property insured under the terms of any marine insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (h) transmission and distribution lines situated more than 610 metres from the Premises of the Insured; or
- (i) furs, fur garments, jewels, or jewellery.

4.2 Perils Excluded

This Part A does not insure against:

- (a) wear and tear, gradual deterioration, insects, vermin or inherent vice, however, this exclusion shall not apply to damage resulting therefrom;
- (b) loss or damage caused by electrical disturbances or artificially generated electrical currents to electrical appliances or devices, unless fire or explosion ensues and then only for the direct physical loss or direct physical damage caused by such ensuing fire or explosion, but this exclusion does not apply to Data Processing Equipment and Media;
- (c) mechanical or electrical breakdown unless caused by or resulting from a peril not otherwise excluded elsewhere in this Policy, but this exclusion does not apply to Data Processing Equipment and Media;
- (d) unless caused by fire or explosion, loss or damage by any process or while the property is actually being worked upon and resulting therefrom; except this exclusion shall not apply to resulting physical damage not excluded elsewhere in this Part A, or to Data Processing Equipment and Media;
- (e) loss or damage due to seepage, leakage or influx of water derived from natural sources through basement walls, including doors, windows and other openings therein, foundations, basement floors, sidewalks or sidewalk lights, except this exclusion shall not apply to resulting physical damage not excluded elsewhere in this section nor if such physical damage is caused by or results from a peril not excluded elsewhere in this Part A;
- (f) loss or damage from dampness or dryness of atmosphere, extremes or change of temperature, marring, scratching, crushing, rust or corrosion, exposure to light, or contamination; but this exclusion shall not apply to physical loss or physical damage caused directly by a peril otherwise insured and not otherwise excluded under this Part A;
- (g) loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (h) loss or damage caused by contamination by radioactive material;
- (i) loss caused by delay, loss of market or loss of use, except as may be provided under Part B (Practice Interruption coverage) of this Section 1;
- (j) loss or damage caused by error in machine programming or instructions to machine;
- (k) loss or damage caused by any nuclear incident as defined in the *Nuclear Liability and Compensation Act* or any other nuclear liability act, law, or statute, or any law amendatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning, or explosion of natural, coal, or manufactured gas; or
- (l) loss or damage caused by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage,

caused directly by employees or agents or agent of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Part A.

4.3 Pollution Excluded

This Part A does not insure, except as provided under Article 6, against:

- (a) The presence, suspected presence, discharge, release, escape, dispersal, seepage or migration of a Pollutant.
- (b) Any cost or expense to clean up, remove, treat, detoxify, or neutralize an actual, alleged, potential or threatened, discharge, release, escape, dispersal, seepage or migration of a Pollutant. However, if loss or damage described in subsections (a) or (b) directly results from a loss covered by this Policy, this exclusion does not apply to loss or damage caused by the loss covered by this Policy.
- (c) The loss or damage, including salvage expense, caused by ammonia contacting or permeating covered property under refrigeration or in a process requiring refrigeration, as the result of an Occurrence resulting from Sudden and Accidental Mechanical Breakdown or Machinery Breakdown.
- (d) The cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened discharge, release, escape, dispersal, seepage or migration of a Pollutant.

ARTICLE 5 INDUSTRIAL & COMMERCIAL CONDOMINIUM UNIT OWNERS

5.1 Unit Owner's Contingent Insurance

Amount of Insurance: \$100,000.

- (a) This Part A insures the interest in the unit owned by the Insured, excluding improvements or betterments made or acquired by the Insured, up to the amount specified above, to the extent that:
 - (i) it is not so insured by the Condominium Corporation, or
 - (ii) the insurance placed by the Condominium Corporation is not effective or is inadequate.
- (b) In the event of direct physical loss or direct physical damage to the property insured herein during the term of this Policy by the peril(s) insured against, our liability shall be determined as follows:
 - (i) If the property is repaired or replaced with due diligence and dispatch, we shall pay the actual expense (if any) incurred by the Insured for such repairs or replacement with material of the like kind and quality without deduction for depreciation, less any recovery for the benefit of the Insured for loss or damage to the unit owned by the Insured from any insurance covering the collective interests of the unit owners.
 - (ii) If the property is not repaired or replaced with due diligence and dispatch, we shall pay the actual cash value of the damaged or destroyed unit, less any recovery for the benefit

of the Insured for loss or damage to such unit owned by the Insured from any insurance covering the collective interests of the unit owners.

- (c) The Perils Insured Against by this endorsement are all risks of direct physical loss or direct physical damage except as excluded in this Part A.

5.2 Loss Assessment

- (a) We will pay the Insured's share of any special assessment up to the limit specified on each Memorandum of Insurance for Office Contents if the assessment:
 - (i) is valid under the Condominium Corporation's governing rules; and
 - (ii) is made necessary by a direct loss to the collectively owned condominium property and caused by a peril insured by this Policy.
- (b) The limit of insurance under this Section 5.2 is in addition to the limit specified on each Memorandum of Insurance for Office Contents, and not part thereof.
- (c) In this Article 5, "**Condominium Corporation**" means a condominium or strata corporation established under provincial legislation.

ARTICLE 6 LAND AND WATER POLLUTION CLEAN UP

6.1 Clean Up of Pollutants

We will indemnify the Insured for expenses incurred to Clean Up Pollutants from land or water at the Premises provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of Pollutants:

- (a) is occasioned by loss or damage to property insured at the Premises for which insurance is afforded by this Policy;
- (b) is sudden, unexpected and unintended from the standpoint of the Insured; and
- (c) first occurs during the policy period.

6.2 Limit of Insurance

Our liability in respect of the coverage under this Article 6 during any one policy period shall not exceed a limit of \$100,000 per occurrence and \$ 100,000 in the aggregate.

6.3 No Automatic Reinstatement

Notwithstanding Section 13 of the General Conditions with respect to "Reinstatement", following a loss under this provision the limit of insurance for this provision will be reduced by the amount payable for the remainder of the policy period.

6.4 Additional Exclusions

We shall not be liable for:

- (a) expenses for Clean Up away from or beyond the Premises resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants, even if the Pollutants emanated from the Premises;
- (b) expenses for Clean Up of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of Pollutants that began before January 1, 2025;
- (c) fines, penalties, punitive or exemplary damages;
- (d) expenses incurred for the Clean Up of Pollutants at or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, processing or treatment of waste.

6.5 Additional Policy Conditions

- (a) It is a condition precedent to recovery under this Article 6 that all expenses insured must be incurred and reported to us within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of Pollutants for which Clean Up expenses are being claimed.
- (b) The insurance afforded by this Article 6 shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

ARTICLE 7 CONDITIONS APPLICABLE TO PART A

7.1 Basis of Loss Settlement (other than Valuable Papers and Records and Data Processing Equipment and Media)

In respect of direct physical loss or direct physical damage to any property insured under this Part A, settlement shall be based on the cost of repairing, replacing or reinstating (whichever is the least) with material of like kind and quality on the same site without deduction for depreciation, provided that:

- (a) the repairs, replacement or reinstatement must be executed with due diligence and dispatch; and
- (b) until repair, replacement or reinstatement has been effected the amount of liability under this Section 7.1 in respect to the loss shall be limited to the actual cash value of the property damaged, destroyed or lost at the time of loss. Liability shall, in no event, exceed the actual expenditure for repairs, replacement or reinstatement.

7.2 Basis of Loss Settlement (Data Processing Equipment and Media)

- (a) The measure of recovery for:
 - (i) Data processing equipment shall be the full cost to replace the damaged or destroyed equipment, if repaired or replaced. If not repaired or replaced, then we shall only be liable for the actual cash value of the property insured at the time of loss.

- (ii) Media shall be the full cost of replacement and reproduction including any cost of Data research and program reconstruction; if not replaced or reproduced, then we shall only be liable for the blank value of Media.
- (b) Basis of Loss Settlement (Records and Media, Data storage devices, and programme devices for electronic and electro-mechanical Data processing or for electronically controlled equipment):

Records: Our liability for physical loss or physical damage to:

- (i) books of accounts, drawings, card index systems and other records, other than described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
- (ii) Media, Data storage devices, and programme devices for electronic and electro-mechanical Data processing or for electronically controlled equipment, notwithstanding that Data is not insured,

shall not exceed the cost of reproducing such Media, Data storage devices, and programme devices from duplicates or from originals of the previous generation of the Media, but no liability is assumed hereunder for the cost of gathering or assembling information or Data for such reproduction.

7.3 Basis of Loss Settlement (Valuable Papers and Records)

Our liability for loss or damage to books of account, manuscripts, drawings, card index systems and other records, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records.

7.4 Deductible

- (a) Except as otherwise specified in this section or in the Memorandum of Insurance, each claim for loss or damage shall be adjusted separately and the amount of \$ 1,000 shall be deducted from the amount of each such adjusted claim. This clause does not apply to claims for earthquake as described in Sections 7.4(c), 7.4(d) and 7.4(e) or claims under the Optional Breakdown Coverage Extension Endorsement or claims where Section 7.5 is applicable.
- (b) In the event that the Policy is subject to a \$ 2,500 deductible, this deductible shall apply to all losses, including those which exceed \$5,000, other than fire department charges, lock replacement, halon and carbon dioxide discharge or fire extinguisher recharge (for which no deductible is applicable) or earthquake as described in Sections 7.4(c), 7.4(d) and 7.4(e) or claims under the Optional Breakdown Coverage Extension Endorsement.
- (c) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the loss or damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the loss or damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$250,000 minimum deductible in any one occurrence.

- (d) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the loss or damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the loss or damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (e) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the loss or damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the loss or damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the named Insured have any other valid policy with us, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Policy.

7.5 Repeat Claims Deductible

- (a) A Repeat Claims Deductible of \$ 2,500 will be assessed on all claims to which such deductible is applicable instead of the \$1,000 standard coverage deductible, if:
- (i) an Insured makes three or more claims within a three year period; and
 - (ii) loss payments have been made on each of these claims by us, other than payments of administrative, legal, or adjusting costs.
- (b) The Repeat Claims Deductible will apply to the Insured's coverage until the Insured has completed a three year period in which no claims with loss payments have been made by us, other than payments of administrative, legal or adjusting costs.

ARTICLE 8 DEFINITIONS

8.1 Definitions

When used in this Part A, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

“Associate” means a dentist who is an Eligible Member at the time of application, and who is, at the time of application and the time of any claim, engaged by a dentist who is licensed or possesses a certificate to practice dentistry in a province or territory of Canada to provide professional services to such dentist’s practice.

“Clean Up” means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of Pollutants, including testing which is integral to the aforementioned processes.

“Coverage Territory” means Canada.

“Data” means representations of information or concepts, in any form.

“Data Processing Equipment and Media” means Data processing systems including equipment and component parts thereof and Media owned by the Insured or leased, rented or under the control of the Insured including property of others for which the Insured may be liable.

“Eligible Member” means a dentist who is licensed or possesses a certificate to practice dentistry in a province or territory of Canada who is a member of the Canadian Dental Association (CDA) or a Participating Provincial or Territorial Dental Association.

“Insured” means the Insured named on the Memorandum of Insurance and any corporation, including any subsidiary, affiliated or associated corporation, through which all or any part of the dental practice of an Insured named on the Memorandum of Insurance is carried on, where such named Insured has an interest, but only to the extent of such named Insured's financial interest and only at the location specified in the Memorandum of Insurance.

“Media” mean all forms of converted Data, program, or instruction vehicles employed in the Insured’s data processing operation.

“Participating Provincial or Territorial Dental Associations” means the following corporate members of the Canadian Dental Association: British Columbia Dental Association; Alberta Dental Association; College of Dental Surgeons of Saskatchewan; Manitoba Dental Association; Ontario Dental Association; New Brunswick Dental Society; Prince Edward Island Dental Association; Nova Scotia Dental Association; Newfoundland and Labrador Dental Association; Northwest Territories & Nunavut Dental Association and Yukon Dental Association;

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. **“Waste”** includes materials to be recycled, reconditioned or reclaimed.

“Premises” means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations set out on the Memorandum of Insurance and in or on vehicles within 100 meters (328 feet) of such locations.

“Related Services” means all non-dental services offered by an Insured in conjunction with the named Insured’s dental practice.

Endorsement No. 1

This endorsement is applicable to the coverages contained in Parts A and B of the Policy.

OPTIONAL BREAKDOWN COVERAGE EXTENSION ENDORSEMENT

1. Notwithstanding any of the Perils Excluded under Part A of this Policy, the insurance provided by Part A is hereby extended to cover the following kinds of direct physical loss or direct physical damage to mechanical or electrical equipment, while located on the premises of the Insured, or while located on the premises where the Insured practices if coverage is under an Associate TripleGuard plan:
 - (a) Sudden and Accidental Mechanical Breakdown or Machinery Breakdown. The Insured, if owner or lessee of the equipment, shall provide for regular inspection and maintenance of the equipment as recommended by the manufacturer with minimum of annual inspection of the equipment.
 - (b) Loss or damage as a result of short circuit, blow-out, or other electrical damage to electrical equipment, apparatus, or devices, including wiring.
 - (c) Physical loss or physical damage to equipment that results from errors in design or use of faulty materials in the development, manufacture, or installation of that equipment.

Each claim for loss or damage under the above extension shall be adjusted separately and \$1,000 shall be deducted from the amount of each such adjusted claim.

2. Notwithstanding any of the Perils Excluded under Part B of this Policy, the insurance provided by Part B is hereby extended to cover the loss of Gross Income (as defined in Section 10.1), resulting from the following kinds of direct physical loss or direct physical damage to mechanical or electrical equipment, while located on the Premises of the Insured, or while located on the premises where the Insured practices if coverage is under an Associate TripleGuard™ plan:
 - (a) Sudden and Accidental Mechanical Breakdown or Machinery Breakdown. The Insured, if owner or lessee of the equipment, shall provide for regular inspection and maintenance of the equipment as recommended by the manufacturer with a minimum of annual inspection of the equipment.
 - (b) Loss or damage as a result of short circuit, blow-out, or other electrical damage to electrical equipment, apparatus, or devices, including wiring.
 - (c) Physical loss or physical damage to equipment that results from errors in design or use of faulty materials in the development, manufacture, or installation of that equipment.

The coverage provided under this extension shall not insure the loss of gross income for the first eight (8) hours during which the business would have normally operated.

3. Subject to the following, this Endorsement does not insure loss caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, information repository, microchip, integrated circuit or other similar device due to:
 - (a) the erasure, destruction, corruption, misappropriation or misinterpretation of Data;
 - (b) any error in creating, amending, entering, deleting or using Data;

(c) the inability to receive, transmit or use Data.

However physical loss that ensues solely from a breakdown to any other insured equipment is covered.

4. The words “Sudden and Accidental” in this Endorsement mean a sudden and accidental breakdown of equipment with simultaneous physical damage to it that requires the repair or replacement of the equipment or part of it.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.

Endorsement No. 2

DATA EXCLUSION ENDORSEMENT

This endorsement is applicable to the coverages contained in Coverage Schedule, Section 1, Parts A, B and C of the Policy.

CYBER AND DATA EXCLUSION

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto Parts A B and C of this Policy excludes any:
 - (a) Cyber Loss, unless subject to the provisions of paragraph 2;
 - (b) loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, Parts A, B and C of this Policy cover physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
3. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then Part A and Part B of this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, Part A and Part B of this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
4. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
5. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.
6. In this Section, “**Computer System**” means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

“Cyber Act” means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System;

“Cyber Incident” means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

“Cyber Loss” means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident;

“Data” means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

“Data Processing Media” means any property insured by Part A and Part B of this Policy on which Data can be stored but not the Data itself.

Endorsement No. 3

TERRORISM EXCLUSION ENDORSEMENT

This endorsement is applicable to the coverages contained in Parts A, B and C of the Policy.

1. This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other cause or event that contributes concurrently or in any sequence to such physical loss or physical damage. This exclusion, however, does not apply to ensuing physical loss or physical damage which directly results from fire or explosion of natural, coal or manufactured gas. This exception only applies to the extent that such loss or damage would otherwise be insured under this Policy.
2. We shall not be liable for Extra Expenses, loss of Gross Income, loss of expediting and extra expense or any other loss attributable to the interruption of business, provided such coverage is currently included in the Policy, resulting from loss or damage caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage.
3. “**Terrorism**” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 4

FUNGI AND FUNGI DERIVATIVES EXCLUSION ENDORSEMENT

This endorsement is applicable to the coverages contained in Parts A, B and C of the Policy.

1. This Policy does not insure:
 - (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any Fungi or Spores unless such Fungi or Spores are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Policy;
 - (b) the cost or expense for any testing, monitoring, evaluating or assessing of Fungi or Spores.
2. We shall not be liable for “Extra Expense”, loss of “Gross Income”, loss of “expediting and extra expense” or any other loss attributable to any interruption of business resulting from loss or damage consisting of or caused directly or indirectly, in whole or in part, by any Fungi or Spores unless such Fungi or Spores are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Policy.
3. “**Fungi**” includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any Fungi or Spores or resultant mycotoxins, allergens, or pathogens.
4. “**Spores**” includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any Fungi.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 5

COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

This endorsement is applicable to the coverages contained in Coverage Schedule, Section 1, Parts A, B and C of the Policy.

COMMUNICABLE DISEASE EXCLUSION

1. Notwithstanding any other provision of this policy to the contrary, this Policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this Section, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - (a) for a Communicable Disease, or
 - (b) any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a “**Communicable Disease**” means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 6

CYBER RISK EXCLUSION ENDORSEMENT

This endorsement is applicable to the coverages contained in Parts A, B and C of the Policy.

1. This Policy does not insure any loss, costs, damage or expense arising from or contributed to, directly or indirectly, by Cyber Risk from one or more of the following:
 - (a) Loss of, alteration of, or damage to, corruption of, or a reduction in the functionality, availability or operation of any Computer and/or Network System or Data, whether the property of the Insured or not;
 - (b) Any access to or disclosure of any person's or organization's confidential, personal, proprietary or other nonpublic information in any recordable form, including without limitation expenses associated with notification, remediation, mitigation or prevention of a security breach; or
 - (c) Extortion threats, fraud or theft involving any Computer and/or Network System, or any other electronic data system or any confidential, personal, proprietary or other nonpublic information.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

2. Wherever used in this Endorsement:
 - (a) **“Computer and/or Network System”** means any computer, hardware, software, process, program, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, information repository, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, website or any other electronic data system, owned or operated by the Insured or any other party.
 - (b) **“Cyber Risk”** means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer and/or Network System.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 7

STUDENT PACKAGE ENDORSEMENT

This endorsement is applicable to the coverages contained in Part A of the Policy.

The standard coverage package with respect to the student package should read as follows:

\$15,000 Limit on dental hand instruments: this coverage excludes electronic devices and equipment, including, but not limited to, computers, laptops, tablets, cellular phones, and related equipment, data and media.

\$0 Deductible

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.

TRIPLEGUARD INSURANCE – SECTION 1

PART B– PRACTICE INTERRUPTION

ARTICLE 1 INSURING AGREEMENT

1.1 Insuring Agreement

This Part B insures against loss of Gross Income, calculated pursuant to this Article 1, resulting from the necessary interruption of the Insured's practice caused directly by the perils insured hereunder physically damaging or physically destroying real or personal property during the term of this Policy at the premises described in the Memorandum of Insurance.

Subject to the terms and conditions expressed herein, as long as this Policy is in force, if any real or personal property used by the Insured for the purposes of the Insured's practice shall be destroyed or damaged by a peril insured against at any time during the period of this insurance and the practice carried on by the Insured at the said premises be in consequence thereof interrupted or interfered with, we will pay the Insured the amount of the loss resulting from such interruption or interference as set out in this Policy.

1.2 Loss of Gross Income

The insurance provided by this Part B is limited to loss of Gross Income due to:

- (a) Reduction in Gross Income; and
- (b) Increase in Cost of Working;

less

- (c) saved working expenses and standing charges, being any sum saved during the Indemnity Period in respect of such of the working expenses and standing charges of the practice as may cease or be reduced in consequence of the physical damage or physical destruction by the perils insured against.

1.3 Definitions

In this Article 1:

- (a) **“Reduction In Gross Income”** means the amount by which the Gross Income during the Indemnity Period shall, in consequence of the physical destruction or physical damage, fall short of expected Gross Income which occurs during regular working hours and days. If the closure period is such that the Insured can reschedule patients upon reopening within their regular working hours and days, we will not consider that rebooking of patients as loss mitigation and will not calculate it as a reduction in Gross Income; and
- (b) **“Increase In Cost Of Working”** means the additional expenditures necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in Gross Income which but for that expenditure would have taken place during the Indemnity Period in consequence of the physical destruction or physical damage, but not exceeding the Reduction in Gross Income thereby avoided.

ARTICLE 2 PROFESSIONAL FEES

2.1 Professional Fees

We shall pay up to \$25,000 for fees for professional services payable by the Insured for the purpose of producing and certifying details of the Insured's business required in order to arrive at the amount payable under this Part B in the event of a claim.

ARTICLE 3 PERILS INSURED

3.1 Perils Insured

This Part B insures against:

- (a) all risks of direct physical damage to the property insured except as specifically excluded; and
- (b) physical damage to that part of a building which the Insured occupies but does not own, directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided that the Insured is liable for such physical damage.

ARTICLE 4 EXTENSIONS OF COVERAGE

4.1 Off-Premises Extension

The insurance provided by this Part B is extended to include direct loss of Gross Income resulting from physical damage to or physical destruction of any premises or equipment within Canada located within one (1) kilometer from the premises occupied by the Insured when such physical damage or physical destruction is caused by the perils insured against, when loss results other than from damage to or destruction of off-premises poles, towers or transmission or distribution lines, subject to a maximum limit of liability in any one policy period of \$100,000.

This extension of coverage only applies when the physical damage or physical destruction causes a practice interruption, and in the event of power outage, the power outage would need to subsist for at least 12 consecutive hours. Any approved loss would be payable retroactively to the first hour of practice interruption.

4.2 Contingent Business Income Extension

The insurance provided by this Part B is extended to include loss of Gross Income, as described in Section 1.2 of Part B, resulting from interruption of the Insured's practice in consequence of direct physical loss of or direct physical damage to property, from a peril insured under Article 3 of this Part B at any premises not owned or operated by the Insured which supplies, contracts or assists the Insured's practice in any way, and which would wholly or partially prevent the acceptance of services provided by the Insured if property at such premises is destroyed or damaged.

Our maximum limit of liability under this Section 4.2, regardless of the number of persons and interests insured under this Part B, in respect of any one occurrence shall not exceed \$100,000.

4.3 Interruption by Civil Authority Coverage Extension

The insurance provided by this Part B is extended to insure the loss of Gross Income suffered by the Insured during the period of time, not exceeding four weeks, while access to the Premises is prohibited by order of civil authority, but only when such order is given as a direct result of physical damage to any property within a 1,000 meter radius of the Premises by a peril insured against under this Policy. Our maximum limit of liability under this Section 4.3 shall not exceed \$10,000.

4.4 Ingress and Egress Coverage Extension

The insurance provided by this Part B is extended to include the loss of Gross Income sustained by the Insured because of physical loss or physical damage by a peril insured to property covered under the Memorandum of Insurance that impairs the ingress to or egress from premises insured under the Memorandum of Insurance. Our maximum limit of liability under this Section 4.4 shall not exceed \$10,000.

4.5 Infestation

If the Insured's dental practice is affected by an insect or vermin infestation necessitating the closure of the practice for a minimum of four continuous normal working hours due to the fumigation and/or other pest control services we shall be liable under this Part B for a payment to the Insured of an amount not exceeding \$2,500 in any one loss.

We shall not be liable, however for any loss resulting from normal preventative and/or maintenance pest control programs.

4.6 Expediting and Extra Expense Coverage Extension

In the event of loss insured hereunder and in addition to the reimbursement otherwise provided, we shall also pay for the Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the business, including the reasonable extra cost of temporary repair and of expediting the repair of such valuable papers, and construction models, including overtime and the extra cost of express or other rapid means of transportation and use of temporary facilities, due to physical destruction of or physical damage to any property insured hereunder or elsewhere or by order of civil authority following such physical destruction or physical damage. In no event, however, shall we be liable under this section for loss of income nor for Extra Expense in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business, nor for the cost of repairing or replacing any of the described property that has been physically damaged or physically destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of extra expense.

As soon as practicable after any loss, the Insured shall resume complete or partial business operations of the property herein described and, insofar as practicable, reduce or dispense with such extra expenses as are being incurred.

ARTICLE 5 EXCLUSIONS

5.1 Exclusions

We shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss due to interference at the described premises by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of business;
- (c) loss due to fines, bad debts or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order which may affect the Insured's Gross Income after the period following any loss during which indemnity is payable; or
- (e) any other consequential loss or remote loss, except as may be provided for elsewhere in this section.

5.2 Special Exclusions

We shall not be liable for:

- (a) loss due to fines or damages for breach of contract, for late or uncompleted orders, or for any penalties of whatever nature; or
- (b) loss due to the suspension, lapse or cancellation of any lease or license, contract or order.

ARTICLE 6 PROPERTY EXCLUDED

6.1 Property Excluded

We shall not be liable for loss of Gross Income resulting from loss of or damage to property excluded under Section 4.1 of Part A.

ARTICLE 7 PERILS EXCLUDED

7.1 Perils Excluded

We shall not be liable for loss of Gross Income resulting from loss of or damage resulting from perils excluded under Section 4.2 of Part A.

**ARTICLE 8
POLLUTION EXCLUDED**

8.1 Pollution Excluded

We shall not be liable for loss of Gross Income against pollution excluded under Section 4.3 under Part A.

**ARTICLE 9
DEDUCTIBLE**

9.1 Deductible

The following deductible clause applies only when there is a Practice Interruption loss under this Part B and/or there is no direct physical damage property loss at the same location under Part A.

- (a) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 15% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$250,000 minimum deductible in any one occurrence.

- (b) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (c) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, we are liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the

Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the named Insured have any other valid policy with us, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Memorandum of Insurance.

ARTICLE 10 DEFINITIONS

10.1 Definitions

When used in this Part B, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

“Annual Gross Income” means the Gross Income during the twelve months immediately before the date of physical damage or physical destruction by a peril insured against, to which such adjustments shall be made as may be necessary to provide for the trend of, variations in or special circumstances affecting the Gross Income either before or after the physical damage or physical destruction by a peril insured against or which would have affected Gross Income had the physical damage or physical destruction not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the physical damage or physical destruction by a peril insured against would have been obtained during the relevant period after the destruction or damage by a peril insured against.

“Coverage Territory” means Canada.

“Data” has the meaning set out in Section 8.1 of Part A.

“Gross Income” means the money paid or payable to the Insured in connection with the operation of a dental practice, and/or the offering of Related Services in conjunction with the dental practice during the term of this Policy in the course of business at the location(s) shown on the Memorandum of Insurance, subject to Section 10.2.

“Indemnity Period” means the period beginning with the occurrence of the physical damage or physical destruction or damage by a peril insured against and ending not later than the maximum Indemnity Period of twelve (12) months thereafter, during which results of the business shall be affected in consequence of the physical damage or physical destruction.

“Insured” has the meaning set out in Section 8.1 of Part A.

“Normal” means the condition that would have existed had no loss occurred.

“Premises” has the meaning set out in Section 8.1 of Part A.

“Related Services” has the meaning set out in Section 8.1 of Part A.

“Standard Gross Income” means the Gross Income during that period in the twelve months immediately before the date of the physical damage or physical destruction by a peril insured against which corresponds with the Indemnity Period, to which such adjustments shall be made as may be necessary to provide for the trend of, variations in or special circumstances affecting the Gross Income either before or after the physical damage or physical destruction by a peril insured against or which would have affected Gross Income had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the physical damage or physical destruction by a peril insured against would have been obtained during the relevant period after the physical damage or physical destruction by a peril insured against.

“Terrorism” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

10.2 Alternative Trading Clause

If during the Indemnity Period work shall be done or services rendered elsewhere than at the location(s) shown on the Memorandum of Insurance for the benefit of the business, either by the Insured or by others on the Insured’s behalf, the money paid or payable in respect of such work or services shall be brought into account in arriving at the Gross Income during the Indemnity Period, however, services rendered during other than the Insured’s Normal working hours or days shall not be deducted from this amount.

Endorsements Applicable to Part B

1. Endorsement No. 1 - Optional Breakdown Coverage Extension Endorsement – page 15
2. Endorsement No. 2 - Data Exclusion Endorsement – page 17
3. Endorsement No. 3 – Terrorism Exclusion Endorsement - page 19
4. Endorsement No. 4 – Fungi and Fungal Derivatives Exclusion Endorsement - page 20
5. Endorsement No. 5 – Communicable Disease Exclusion Endorsement – page 21
6. Endorsement No. 6 – Cyber Risk Exclusion Endorsement – page 22

GENERAL CONDITIONS APPLICABLE TO SECTION 1 - TRIPLEGUARD™ PLAN

APPLICABLE TO PART A AND PART B

1. PERMISSIONS

Permission is granted:

- (a) for further insurance concurrent with this Policy, and to increase or decrease insurance without notice until required;
- (b) to cease operations and close down from time to time and to remain vacant or unoccupied without limit of time as the Insured may deem necessary or convenient, but the Insured must notify CDSPI if the premises are to be vacant or unoccupied for a period exceeding sixty (60) days at any one time;
- (c) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual, necessary or convenient to the business carried on;
- (d) to make changes, alterations, repairs and additions.

2. RELEASE AND SUBROGATION

Upon making any payment or assuming liability therefor under these sections, we shall be subrogated to all rights of recovery of the Insured against any person and may bring action in the name of the Insured to enforce such rights.

We hereby waive our rights to a transfer of such rights:

- (a) of the Insured against any individual or organization affiliated or associated with, parent of or subsidiary to, the Insured or their employees;
- (b) of any Insured named in the Memorandum of Insurance against any other Insured named therein, including their employees and associates;
- (c) of the Insured against the landlord of premises occupied by the Insured.

Where the net amount recovered after deducting the cost of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between us and the Insured in the proportion in which the loss or damage has been borne by us and the Insured. Any release from liability entered into by the Insured prior to a loss shall not affect the right of the Insured to recover hereunder.

3. EARTHQUAKE DEFINITION

Each loss caused by “**Earthquake**” shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within one hundred and sixty-eight hours (168) consecutive hours during the term of this Policy shall be deemed to be a single earthquake within the meaning hereof. Notwithstanding the foregoing, this Insurer shall not be liable for any loss or damage occurring before the date of inception of this Policy nor for any loss or damage caused by any earthquake shock occurring after the expiration of this Policy.

4. FLOOD DEFINITION

The word “**Flood**” means waves, tidal waves, tsunamis, and the rising of, the breaking out of, or the overflow of any body of water whether natural or man-made; the unusual and rapid accumulation or runoff of surface waters from any source including mud flows which are proximately caused or precipitated by accumulations of water on or under the ground. It is further understood and agreed that Section 4.2(e) of Part A shall not apply to any loss or damage caused by Flood as herein defined.

5. AGGREGATE LIMIT FOR PERIL OF FLOOD

Notwithstanding all other limits of insurance shown on the Memorandum of Insurance for Part A and Part B of this Policy, the most we will pay for all loss or damage caused directly or indirectly by Flood in any one (1) policy year, regardless of the number of claims involving Flood, is the Annual Aggregate limit of insurance shown on the Memorandum of Insurance for Flood.

“**Annual Aggregate**” means the maximum amount of loss or damage payable in any one (1) policy year, regardless of the number of Occurrences within the same policy year.

6. AGGREGATE LIMIT FOR PERIL OF EARTHQUAKE

Notwithstanding all other limits of insurance shown on the Memorandum of Insurance for Part A and Part B of this Policy, the most we will pay for all loss or damage caused directly or indirectly by Earthquake in any one (1) policy year, regardless of the number of claims involving Earthquake, is the Annual Aggregate limit of insurance shown on the Memorandum of Insurance for Earthquake.

7. OTHER INSURANCE

The insurance afforded by this coverage will apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

8. BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of condition relative to a matter before the happening of the loss, which breach would otherwise disentitle the Insured to recover under this Section, the breach shall not disentitle the Insured to recover:

- (a) if the Insured establishes that the loss was not caused or contributed to by the breach of condition,
- (b) if the breach of condition occurred in any portion of the premises over which the Insured has no control, or
- (c) if there is a breach of condition by an assignee under the Bankruptcy Act or by an assignee following change of title by succession, by operation of law or by death.

9. NOTICE

It is agreed that any notice required by the conditions of this Section to be given to us may be given by the Insured through CDSPI, 2005 Sheppard Ave East, Suite 500, Toronto, ON M2J 5B4.

10. STATUTORY CONDITIONS

This section is subject to the printed "Statutory Conditions" applicable to insurance in all provinces except Quebec and/or the printed "General Conditions" applicable to insurance in the Province of Quebec.

In the event of there being any conflict between the printed "Conditions" and the terms and conditions recited herein, the latter shall be deemed to govern in favour of the Insured.

11. CANCELLATION

- (a) A Policy may be cancelled at any time at the request of the Insured named thereon and we shall, upon surrender of the Policy, refund the excess of paid premium above the earned premium computed in accordance with the customary pro rata table and procedure for the time the Policy has been in force.
- (b) We may cancel a Policy during its Period of Insurance in accordance with the General Conditions/Statutory Conditions.

12. LIBERALIZATION

If any authorized endorsement or filed rules or regulations affecting this Section are revised by statute so as to broaden the insurance without additional premium charge, such extended or broadened insurance shall inure to the benefit of the Insured hereunder, effective as of the date of the change.

13. REINSTATEMENT

With the exception of losses that are subject to Annual Aggregate limits of insurance (amount of coverage), any loss shall not reduce the amount of coverage provided by this Section.

14. NOTICE TO AUTHORITIES

Where the loss is due to malicious mischief, burglary, robbery, theft, or attempt thereat, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.

15. NO BENEFIT TO BAILEE

It is warranted by the Insured that this insurance shall in no way ensure directly or indirectly to the benefit of any carrier or other bailee.

16. PAIR AND SET

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set but in no event shall such loss or damage be construed to mean total loss of set.

17. PARTS

In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting when complete for use, of several parts, we are not liable for more than the insured value of the part lost or damaged, including the cost of installation.

18. SUE AND LABOUR

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. We shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

TRIPLEGUARD INSURANCE – SECTION 1

PART C- COMPREHENSIVE DISHONESTY, DISAPPEARANCE, AND DESTRUCTION

ARTICLE 1

COVERAGE A - EMPLOYEE DISHONESTY

1.1 Insuring Agreement

This Article 1 insures for an aggregate amount not exceeding \$25,000 for loss of money, securities and other property which the Insured shall sustain through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others.

1.2 Definitions

“Dishonest or Fraudulent acts” as used in this Article 1 shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

This definition of “Fraudulent or Dishonest Acts” does not apply to Articles 8.6 or 8.12.

ARTICLE 2

COVERAGE B - DEPOSITOR’S FORGERY

2.1 Insuring Agreement

This Article 2 insures for an amount not exceeding \$25,000 for loss which the Insured or any bank which is included in the Insured’s proof of loss and in which the Insured carries a chequing or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including:

- (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
- (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in (a), (b), or (c) be a forgery within the law of the place controlling the construction thereof.

2.2 Mechanically reproduced signatures

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

2.3 Priority of Payment

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. Our liability to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

2.4 Refusal to Pay

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in an action being brought against the Insured or such bank to enforce such payment and we shall give our written consent to the defense of such action, then any reasonable lawyers' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this subsection and our liability for such loss shall be in addition to any other liability under this subsection.

ARTICLE 3 COVERAGE C - MONEY AND SECURITIES

3.1 Insuring Agreement

This Article 3 insures for an amount not exceeding \$15,000 for loss of money, and securities, but we shall not be liable for loss caused by or resulting from misappropriation, secretion, conversion or any dishonest act on the part of the Insured or other party of interest or any person or persons to whom the property may be entrusted. In addition, such property is also insured against any loss by robbery or attempted robbery from a custodian whether on the premises or not, including from within the home of a custodian, and while engaged in his regular duties in connection with such property within the territorial limits of Canada and the continental United States of America.

This Article 3 shall include the theft of property from within the premises by means of compelling a custodian by violence or threat of violence while outside the premises to admit a person to the premises or to furnish him with means of ingress into the premises, provided the loss shall occur before the premises are next open for business.

Such insurance as is afforded by this subsection also applies within a night depository safe, provided by a bank or trust company for use of its customers, in which money or securities have been deposited.

ARTICLE 4 COVERAGE D - MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE

4.1 Insuring Agreement

This Article 4 insures for an amount not exceeding \$25,000 for loss due to acceptance in good faith, in exchange for merchandise, money or services, of any post office or express money order issued or purporting to have been issued by any post office or express company if such money order is not paid upon presentation, or due

to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency.

ARTICLE 5 COVERAGE E - CREDIT CARD FORGERY COVERAGE

5.1 Insuring Agreement

This Article 5 insures the Insured's legal obligation to pay because of the theft or unauthorized use of credit cards issued or registered in the name of the Insured as stated on the Memorandum of Insurance, provided that all conditions under which the card was issued have been complied with, for an amount not exceeding \$5,000.

ARTICLE 6 COVERAGE F - PROFESSIONAL FEES COVERAGE

6.1 Insuring Agreement

We shall pay up to \$2,500 on reasonable expenses incurred by the Insured for services of outside auditors, accountants or investigators provided our consent is obtained in advance, to establish loss as required by the terms of this Policy caused by fraudulent or dishonest acts committed by any of the Insured's employees.

ARTICLE 7 GENERAL AGREEMENTS APPLICABLE TO PART C

7.1 Joint Insured

If more than one Insured is covered under this subsection, the Insured first named shall act for itself and for every other Insured for all purposes of this subsection. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 8.6, 8.7 and 8.12 constitute knowledge possessed or discovery made by every Insured. Termination of the insurance hereunder as respects any Employee as provided in Section 8.12 shall apply to every Insured. If, prior to the termination of this subsection, this subsection is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such termination. Payment by us to the Insured first named of any loss under this subsection shall fully release us on account of such loss. If the Insured first named on the Memorandum of Insurance ceases for any reason to be covered under the Policy, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this subsection.

7.2 Loss Under Prior Bond or Policy

- (a) If Coverage A (Employee Dishonesty) is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated or allowed to expire as of the time of such substitution, we agree that Coverage A applies to loss which is discovered as provided in Section 8.1 and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:
 - (i) the insurance under this Section 7.2 shall be a part of and not in addition to the amount of insurance afforded by Coverage A;

- (ii) such loss would have been covered under Coverage A had Coverage A with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and
 - (iii) recovery under such Coverage A on account of such loss shall in no event exceed the amount which would have been recoverable under Coverage A in the amount for which it is written as of the time of such substitution, had Coverage A been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.
- (b) Coverage B (Depositor's Forgery) shall also cover loss sustained by the Insured at any time before the termination of this coverage which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Coverage B; provided, with respect to loss covered by this paragraph:
 - (i) the coverage is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage was substituted therefor;
 - (ii) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and
 - (iii) if the amount of insurance carried under this coverage applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability here under for such loss shall not exceed the smaller amount.

ARTICLE 8

GENERAL CONDITIONS APPLICABLE TO PART C

8.1 Policy Period, Territory, Discovery

- (a) Loss is covered under Coverage A (Employee Dishonesty) only if discovered not later than one year from the end of the Period of Insurance shown on the Policy of Insurance.
- (b) Subject to Section 7.2:
 - (i) Coverage A applies only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Period of Insurance shown on the Policy of Insurance by any of the Employees engaged in the regular service of the Insured within Canada or any of the States of the United States of America or the District of Columbia or while such Employees are elsewhere for a limited period;
 - (ii) Coverage B applies only to loss sustained during the Period of Insurance shown on the Memorandum of Insurance.

8.2 Exclusions

This subsection does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner of an Insured whether acting alone or in collusion with others;
- (b) under Coverage A, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) to:
 - (i) potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this subsection;
 - (ii) all damages of any type for which the Insured is legally liable, except direct Compensatory Damages arising from a loss covered under this subsection; or
 - (iii) all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this subsection.

8.3 Definition of Employee

In this Part C, “**Employee**” shall mean any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured’s business, including persons hired through an intervening employment agency or employer, during the Period of Insurance shown on the Memorandum of Insurance and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but except as provided below does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Coverage A, the above words “while in the regular service of the Insured” shall include the first 30 days thereafter; subject, however, to Section 8.12 and the Termination provisions contained in section 5 of Part E.

For the purpose of this subsection “**Employee**” includes an associate of the Insured engaged under a contractual arrangement to provide professional services to the Insured’s practice but who is not a salaried employee of the Insured.

8.4 Loss Caused by Unidentifiable Employees

If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Coverage A, subject to the provisions of Section 8.2(b) provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that our aggregate liability for any such loss shall not exceed the limit of liability applicable to Coverage A.

8.5 Ownership of Property: Interest Covered

The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event Section 8.7(c) is applicable to them.

8.6 Prior Fraud, Dishonesty Or Termination

Coverage A shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of the Policy, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been terminated as to any of such Employees by reason of the giving of written notice of termination by the insurer issuing such fidelity insurance, whether us or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, we shall not be liable on account of such Employees unless we shall agree in writing to include such Employees within the coverage of Coverage A.

8.7 Loss -Notice- Proof- Action Against Insurer

- (a) Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall give notice thereof as soon as practicable to us or CDSPI and file detailed proof of loss, duly sworn to, with us within four months after the discovery of loss.
- (b) Proof of loss under Coverage B shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.
- (c) Upon our request, the Insured shall submit to examination by us, subscribe the same, under oath if required, and produce for our examination all pertinent records, all at such reasonable times and places as we shall designate, and shall cooperate with us in all matters pertaining to loss or claims with respect thereto.
- (d) No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this subsection nor until ninety (90) days after the required proofs of loss have been filed with us, nor at all unless commenced within two (2) years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this subsection, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

8.8 Recoveries

If the Insured shall sustain any loss covered by this subsection which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for our benefit) by whomsoever made, on account of such loss under this subsection

until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to our reimbursement.

8.9 Limit Of Liability

- (a) Payment of loss under Coverage A or B shall not reduce our liability for other losses under the applicable Coverage whenever sustained. Our total liability (i) under Coverage A, for all loss caused by any Employee or in which such Employee is concerned or implicated, or (ii) under Coverage B, for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Policy. Our liability for loss sustained by any or all of the Insureds shall not exceed the amount for which we would be liable had all such loss been sustained by any one of the Insureds.
- (b) Regardless of the number of years this subsection shall continue in force and the number of premiums which shall be payable or paid, the limit of our liability as specified in the Policy shall not be cumulative from year to year or period to period.

8.10 Limit Of Liability Under This Policy and Prior Insurance

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 8.4 and which occurs partly during the Period of Insurance shown on the Memorandum of Insurance and partly during the period of other bonds or policies issued by us to the Insured or to any predecessor in interest of the Insured and terminated or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, our total liability under this subsection and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under Coverages A and B on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

8.11 Other Insurance

- (a) Except in the Province of Quebec, if there is available to the Insured any other insurance or indemnity covering any loss covered by Coverages A and B, we shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Coverage B shall first be paid under Coverage B. Any loss covered under both Coverages A and B shall first be paid under Coverage B and the excess, if any, shall be paid under Coverage A. We waive any right of contribution which we may have against any forgery insurance carried by any depository bank which is indemnified under Coverage B.
- (b) If this Policy is governed by the law of Quebec, each of the insurers under its respective contract is liable to the Insured for its rateable proportion of the loss. We waive any right of contribution which we may have against any forgery insurance carried by any depository bank which is indemnified under Coverage B.

8.12 Termination As To Any Employee

Coverage A shall be deemed terminated as to any Employee:

- (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or
- (b) in accordance with the Termination provisions contained in Section 5 of Part E.

8.13 Assignment

Assignment of interest under this subsection shall not bind us until our consent is endorsed hereon; if, however, the Insured shall die, or in the Province of Quebec be declared bankrupt, this subsection shall cover the Insured's legal representative, or in the Province of Quebec, the trustee in bankruptcy, as Insured.

Endorsements Applicable to Part C

1. Endorsement No. 2 - Data Exclusion Endorsement – page 17
2. Endorsement No. 3 – Terrorism Exclusion Endorsement - page 19
3. Endorsement No. 4 – Fungi and Fungal Derivatives Exclusion Endorsement - page 20
4. Endorsement No. 5 – Communicable Disease Exclusion Endorsement – page 21
5. Endorsement No. 6 – Cyber Risk Exclusion Endorsement – page 22

TRIPLEGUARD INSURANCE – SECTION I

PART D– COMMERCIAL GENERAL LIABILITY

ARTICLE 1

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1.1 Insuring Agreement

- (a) We will pay those sums that the Insured becomes legally obligated to pay as Compensatory Damages because of Bodily Injury or Property Damage to which this insurance applies. We will have the right and duty to defend the Insured against any Action seeking those Compensatory Damages. However, we will have no duty to defend the Insured against any Action seeking Compensatory Damages for Bodily Injury or Property Damage to which this insurance does not apply. We may, at our discretion, investigate any Occurrence and settle any claim or Action that may result but

- (i) The amount we will pay for Compensatory Damages is limited as described in Article 12; and
- (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.

- (b) This insurance applies to Bodily Injury and Property Damage only if:

- (i) The Bodily Injury or Property Damage is caused by an Occurrence that takes place in the Coverage Territory;
- (ii) The Bodily Injury or Property Damage occurs during the policy period; and
- (iii) Prior to the policy period, no Insured listed Section 6.3(a) and no Employee authorized by the Named Insured to give or receive notice of an Occurrence or claim, knew that the Bodily Injury or Property Damage had occurred, in whole or in part. If such a listed Insured or authorized Employee knew, prior to the policy period, that the Bodily Injury or Property Damage occurred, then any continuation, change or resumption of such Bodily Injury or Property Damage during or after the policy period will be deemed to have been known prior to the policy period.

- (c) Bodily Injury or Property Damage which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed in Section 10.1(a) or any Employee authorized by the Named Insured to give or receive notice of an Occurrence or claim, includes any continuation, change or resumption of that Bodily Injury or Property Damage after the end of the policy period.
- (d) Bodily Injury or Property Damage will be deemed to have been known to have occurred at the earliest time when any Insured listed in Section 10.1(a) or any Employee authorized by the Named Insured to give or receive notice of an Occurrence or claim:

- (i) Reports all, or any part, of the Bodily Injury or Property Damage to us or any other insurer;
 - (ii) Receives a written or verbal demand or claim for Compensatory Damages because of the Bodily Injury or Property Damage; or
 - (iii) Becomes aware by any other means that Bodily Injury or Property Damage has occurred or has begun to occur.
- (e) Compensatory Damages because of Bodily Injury include Compensatory Damages claimed by any person or organization for care, loss of services or death resulting at any time from the Bodily Injury.

1.2 Exclusions

The insurance under this Article 1 does not apply to:

- (a) Bodily Injury or Property Damage expected or intended from the standpoint of the Insured. This exclusion does not apply to Bodily Injury resulting from the use of reasonable force to protect persons or property.
- (b) Bodily Injury or Property Damage for which the Insured is obligated to pay Compensatory Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Compensatory Damages:
 - (i) That the Insured would have in the absence of the contract or agreement; or
 - (ii) Assumed in a contract or agreement that is an Insured Contract, provided the Bodily Injury or Property Damage occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an Insured Contract, reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be Compensatory Damages because of Bodily Injury or Property Damage, provided:
 - (A) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same Insured Contract; and
 - (B) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which Compensatory Damages to which this insurance applies are alleged.
- (c) Any obligation of the Insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- (d) Bodily Injury to an Employee arising from, out of or in the course of any employment of the Employee by the Insured in a business that is not described in the Memorandum of Insurance.
- (e) Bodily Injury for which compensation is received or receivable by the Employee under any Canadian provincial or territorial workers' compensation law to the extent of such compensation.

- (f) Bodily Injury or Property Damage arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of:
- (i) Any aircraft, air cushion vehicle or watercraft that is owned, operated by rented or loaned to any Insured; or
 - (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and Loading or Unloading.

This exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the Occurrence which caused the Bodily Injury or Property Damage involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned, operated by, rented or loaned to any Insured.

This exclusion does not apply to:

- (i) A watercraft while ashore on premises the Named Insured owns or rents;
- (ii) A watercraft the Named Insured does not own that is:
 - (A) Less than 8 metres long; and
 - (B) Not being used to carry persons or property for a charge;
- (iii) Bodily Injury to an Employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the Bodily Injury results from an Occurrence involving watercraft.

In the event of Claims or Actions because of Bodily Injury to an Employee of the Insured arising out of and in the course of employment by the Insured in the business described in the Memorandum of Insurance, the Exclusion set out above in this subsection (f) is deleted and replaced with the following:

Bodily Injury arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any Insured of:

- (i) Any aircraft or air cushion vehicle; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and Loading or Unloading.

This exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the Occurrence which caused the Bodily Injury involved the ownership, maintenance, use or entrustment to others of any aircraft.”

- (g) Bodily Injury or Property Damage arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any Automobile that is owned, operated by, on behalf of, rented or loaned to any Insured.

Use includes operation and Loading or Unloading.

This exclusion also applies:

- (i) to any motorized snow vehicle or its trailers and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
- (ii) even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the Occurrence which caused the Bodily Injury or Property Damage involved the ownership, maintenance, use or entrustment to others of any Automobile that is owned, operated by, on behalf of, rented or loaned to any Insured;
- (iii) regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury or Property Damage.

This exclusion does not apply to:

- (iv) Bodily injury to an Employee of the Insured on whose behalf contributions are made by or required to be made by the Insured under the provisions of any Canadian provincial or territorial workers' compensation law.
 - (v) Bodily Injury or Property Damage arising out of a defective condition in, or improper maintenance of, any Automobile that is owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the Automobile is insured.
 - (vi) Bodily Injury or Property Damage arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment. This exception however does not apply when such equipment is mounted on or attached to any Automobile and such equipment is used for the purpose of Loading or Unloading.
 - (vii) Bodily Injury or Property Damage arising out of Loading or Unloading if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.
- (h) (1) Bodily Injury or Property Damage caused directly or indirectly, in whole or in part, by the actual, alleged or threatened inhalation, ingestion, absorption, exposure to, existence of or presence of Silica; or
- (2) Loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any manner responding to or assessing the effects of Silica by any insured or by any other person or entity.

"Silica" means:

- (i) Any form of crystalline or non-crystalline (amorphous) silica, silica particles, silica compounds, silica dust or silica mixed or combined with dust or other particles; or
 - (ii) Synthetic silica, including precipitated silica, silica gel, pyrogenic or fumed silica or silica-flour.
- (i) (1) Bodily Injury or Property Damage arising out of or caused by the actual or alleged:
- (i) exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or
 - (ii) manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead,
- whether or not the lead is or was at any time airborne as a particle contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever;
- (2) Any legal obligation of any insured for indemnification or contribution due to compensatory damages arising out of Bodily Injury or Property Damage caused by lead, paint containing lead, or any other substance or material containing lead;
- (3) Any loss, cost, expense or compensatory damages, whether direct or consequential, arising out of any:
- (i) request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat, or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
 - (ii) Claim or Action relating to testing for, monitoring, cleaning up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.
- (j) Property Damage to:
- (i) Property the Named Insured owns, rents, or occupies, including any costs or expenses incurred by the Named Insured, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
 - (ii) Premises the Named Insured sells, gives away or abandons, if the Property Damage arises out of any part of those premises;
 - (iii) Property loaned to the Named Insured;
 - (iv) Personal property in the Named Insured's care, custody or control;
 - (v) That particular part of real property on which the Named Insured or any contractors or subcontractors working directly or indirectly on the Named Insured's behalf are performing operations, if the Property Damage arises out of those operations; or

- (vi) That particular part of any property that must be restored, repaired or replaced because Your Work was incorrectly performed on it.

Paragraph (ii) of this exclusion does not apply if the premises are Your Work and were never occupied, rented or held for rental by the Named Insured.

Paragraphs (iii), (iv), (v) and (vi) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (vi) of this exclusion does not apply to Property Damage included in the Products-Completed Operations Hazard.

- (k) Property Damage to Your Product arising out of it or any part of it.
- (l) Property Damage to Your Work arising out of it or any part of it and included in the Products-Completed Operations Hazard.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the Named Insured's behalf by a subcontractor.

- (m) Property damage to Impaired Property or property that has not been physically injured, arising out of:
 - (i) A defect, deficiency, inadequacy or dangerous condition in Your Product or Your Work; or
 - (ii) A delay or failure by the Named Insured or anyone acting on the Named Insured's behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to Your Product or Your Work after it has been put to its intended use.

- (n) Compensatory Damages claimed for any loss, cost or expense incurred by the Named Insured or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - (i) Your Product;
 - (ii) Your Work; or
 - (iii) Impaired Property;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- (o) Damages arising out of:
 - (i) Any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods,

customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

- (ii) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate Electronic Data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the Insured or others arising out of that which is described in subsections (i) or (ii) above.

- (p) Bodily Injury arising out of Personal and Advertising Injury.
- (q) Bodily Injury (other than Incidental Medical Malpractice Injury), or Property Damage due to the rendering of or failure to render by the Named Insured or on the Named Insured's behalf of any Professional Services for others, or any error or omission, malpractice or mistake in providing those services.
- (r) Bodily Injury or Property Damage arising directly or indirectly out of any action or omission that violates or is alleged to violate:
 - (i) Canada's federal anti-spam legislation: *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*; and including all the rules and regulations promulgated under it, any amendment of or addition to it and any aspects of other federal, provincial, territorial or municipal act, law or statute it amends;
 - (ii) The United States *CAN-SPAM Act* of 2003, including any amendment of or addition to such law; or
 - (iii) Any other federal, provincial, state, territorial or municipal anti-spam act, law or statute.
- (s) Bodily Injury or Property Damage arising directly or indirectly out of any action or omission that violates or is alleged to violate:
 - (i) The Canadian Radio-Television and Telecommunications Commission (CRTC) guidelines;
 - (ii) The Canadian Marketing Association's do-not-call list;
 - (iii) The United States *Telephone Consumer Protection Act* (TCPA), including any amendment of or addition to such law;
 - (iv) The United States *Fair Credit Reporting Act* (FCRA) and any amendment or addition to such law including the *Fair and Accurate Credit Transactions Act* (FACTA);
 - (v) The European Union Directive on Privacy and Electronic Communications, including any amendment of or addition to such directive; or

- (vi) Any other act, law, statute, ordinance, rule or regulation, or any other legal liability, at common law or otherwise, that addresses, relates to, prohibits or limits the accessing, collection, recording, printing, dissemination, disposal, use of, sending, transmitting, communicating or distribution of material or information.
- (t) Abusive Act:
 - (i) Claims or Actions arising directly or indirectly from an Abusive Act committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any Abusive Act.
 - (ii) Claims or Actions based on the Named Insured's practices of Employee hiring, acceptance of Volunteer Workers or supervision or retention of any person alleged to have committed an Abusive Act.
 - (iii) Claims or Actions alleging knowledge by an Insured of, or failure to report, the alleged Abusive Act to the appropriate authority(ies).
- (u) In the event of Claims or Actions because of Bodily Injury to an Employee of the Insured arising out of and in the course of employment by the Insured in the business described in the Memorandum of Insurance, the insurance under this Article 1 does not apply to Bodily Injury to an Employee while employed in violation of the law with the Named Insured's actual knowledge or the actual knowledge of any of the Named Insured's Executive Officers.
- (v) Bodily injury or damages alleged or sought in a Claim or Action that is based on, arises out of, or in any manner relates to the United States Employee Retirement Income Security Act of 1974 (ERISA), or any amendments thereto, or any similar United States state or local government law that is not preempted by ERISA.
- (w) Asbestos – As set out in Section 8.1(a).
- (x) Fungi or Spores – As set out in Section 8.1(b).
- (y) Nuclear - As set out in Section 8.1(c).
- (z) Pollution– As set out in Section 8.1(d).
- (aa) Terrorism – As set out in Section 8.1 (e) .
- (bb) War Risks - As set out in Section 8.1(f).
- (cc) Infectious Agent or Communicable Disease – As set out in Section 8.1(g).

ARTICLE 2

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

2.1 Insuring Agreement

- (a) We will pay those sums that the Insured becomes legally obligated to pay as Compensatory Damages because of Personal and Advertising Injury to which this insurance applies. We will have the right and duty to defend any Action seeking those compensatory damage. However we will have no duty to defend the Insured against any Action seeking Compensatory Damages

for Personal and Advertising Injury to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or Action that may result, but:

- (i) The amount we will pay for Compensatory Damages is limited as described in Article 12; and
- (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Article 9.

- (b) This insurance applies to Personal and Advertising Injury only if caused by an offence arising out of the Named Insured's business but only if the offense was committed in the Coverage Territory during the policy period.

2.2 Exclusions

The insurance under this Article 2 does not apply to Personal and Advertising Injury:

- (a) caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict Personal and Advertising Injury;
- (b) arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity;
- (c) arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (d) arising out of a criminal act committed by or at the direction of the Insured;
- (e) for which the Insured has assumed liability in a contract or agreement;

However, this exclusion does not apply to liability for Compensatory Damages that the Insured would have in the absence of the contract or agreement;

- (f) arising out of a breach of contract, except an implied contract to use another's advertising idea in the Named Insured's Advertisement;
- (g) arising out of the failure of goods, products or services to conform with any statement of quality or performance made in the Named Insured's Advertisement;
- (h) arising out of the wrong description of the price of goods, products or services stated in the Named Insured's Advertisement;
- (i) arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in the Named Insured's Advertisement, of copyright, trade dress or slogan.

- (j) committed by an Insured whose business is:
 - (i) Advertising, broadcasting, publishing or telecasting;
 - (ii) Designing or determining content of websites for others; or
 - (iii) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs (a), (b) and (c) of the definition of Personal and Advertising Injury in Section 14.1.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for the Named Insured or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

- (k) arising out of an electronic interactive website, chatroom, interactive forum or bulletin board the Insured hosts, owns, or over which the Insured exercises control.
- (l) arising out of the unauthorized use of another's name or product in the Named Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- (m) arising out of any access to or disclosure of any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the Insured of others arising out of any access to or disclosure of any person's or organization's confidential or personal information.
- (n) (1) Caused directly or indirectly, in whole or in part, by the actual, alleged or threatened inhalation, ingestion, absorption, exposure to, existence of or presence of Silica; or

(2) Loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any manner responding to or assessing the effects of Silica by any insured or by any other person or entity.

"Silica" means:

- (i) Any form of crystalline or non-crystalline (amorphous) silica, silica particles, silica compounds, silica dust or silica mixed or combined with dust or other particles; or
 - (ii) Synthetic silica, including precipitated silica, silica gel, pyrogenic or fumed silica or silica-flour.
- (o) (1) Arising out of or caused by the actual or alleged:
 - (i) exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or

- (ii) manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead,

whether or not the lead is or was at any time airborne as a particle contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever;

- (2) Any legal obligation of any insured for indemnification or contribution due to compensatory damages arising out of Personal and Advertising Injury caused by lead, paint containing lead, or any other substance or material containing lead;

- (3) Any loss, cost, expense or compensatory damages, whether direct or consequential, arising out of any:

- (i) request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat, or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
- (ii) Claim or Action relating to testing for, monitoring, cleaning up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

- (p) Arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (i) Canada's federal anti-spam legislation: *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*; and including all the rules and regulations promulgated under it, any amendment of or addition to it and any aspects of other federal, provincial, territorial or municipal act, law or statute it amends;
- (ii) The United States *CAN-SPAM Act* of 2003, including any amendment of or addition to such law; or
- (iii) Any other federal, provincial, state, territorial or municipal anti-spam act, law or statute.

- (q) Arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (i) The Canadian Radio-Television and Telecommunications Commission (CRTC) guidelines;
- (ii) The Canadian Marketing Association's do-not-call list;
- (iii) The United States *Telephone Consumer Protection Act* (TCPA), including any amendment of or addition to such law;
- (iv) The United States *Fair Credit Reporting Act* (FCRA) and any amendment or addition to such law including the *Fair and Accurate Credit Transactions Act* (FACTA);

- (v) The European Union Directive on Privacy and Electronic Communications, including any amendment of or addition to such directive; or
- (vi) Any other act, law, statute, ordinance, rule or regulation, or any other legal liability, at common law or otherwise, that addresses, relates to, prohibits or limits the accessing, collection, recording, printing, dissemination, disposal, use of, sending, transmitting, communicating or distribution of material or information.
- (r) Arising out of, or in any manner related to the United States Employee Retirement Income Security Act of 1974 (ERISA), or any amendments thereto, or any similar United States state or local government law that is not preempted by ERISA.
- (s) Asbestos – As set out in Section 8.1(a).
- (t) Fungi or Spores – As set out in Section 8.1(b).
- (u) Nuclear - As set out in Section 8.1(c).
- (v) Pollution– As set out in Section 8.1(d).
- (w) Terrorism – As set out in Section 8.1(e).
- (x) War Risks - As set out in Section 8.1(f) .
- (y) Infectious Agent or Communicable Disease – As set out in Section 8.1(g).

ARTICLE 3 COVERAGE C MEDICAL PAYMENTS

3.1 Insuring Agreement

- (a) We will pay medical expenses as described below for Bodily Injury caused by an accident:
 - (i) On premises the Named Insured owns or rents;
 - (ii) On ways next to premises the Named Insured owns or rents; or
 - (iii) Because of the Named Insured's operations;

provided that:

 - (iv) The accident takes place in the Coverage Territory and during the policy period;
 - (v) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (vi) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- (b) We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (i) First aid administered at the time of an accident;
 - (ii) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (iii) Necessary ambulance, hospital, professional nursing and funeral services.

3.2 Exclusions

We will not pay expenses for Bodily Injury:

- (a) To any Insured, except Volunteer Workers;
- (b) To a person hired to do work for or on behalf of any Insured or a tenant of any Insured;
- (c) To a person injured on that part of premises the Named Insured owns or rents that the person normally occupies;
- (d) To a person, whether or not an employee of any Insured, if benefits for the Bodily Injury are payable or must be provided under a workers' compensation or disability benefits law or a similar law;
- (e) To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests;
- (f) Included within the Products-Completed Operations Hazard;
- (g) Excluded under Article 1;
- (h) Asbestos – As set out in Section 8.1(a).
- (i) Fungi or Spores – As set out in Section 8.1(b).
- (j) Nuclear - As set out in Section 8.1(c).
- (k) Pollution– As set out in Section 8.1(d).
- (l) Terrorism – As set out in Section Part D8.1(e).
- (m) War Risks - As set out in Section 8.1(f) .
- (n) Infectious Agent or Communicable Disease – As set out in Section 8.1(g).

ARTICLE 4 COVERAGE D TENANTS' LEGAL LIABILITY

4.1 Insuring Agreement

- (a) We will pay those sums that the Insured becomes legally obligated to pay as Compensatory Damages because of Property Damage to which this insurance applies. This insurance applies

only to Property Damage to premises rented to the Named Insured or occupied by the Named Insured. We will have the right and duty to defend any Action seeking those Compensatory Damages. However, we will have no duty to defend the Insured against any Action seeking Compensatory Damages for Property Damage to which this insurance does not apply. We may, at our discretion, investigate any Occurrence and settle any claim or Action that may result, but:

- (i) The amount we will pay for Compensatory Damages is limited as described in Article 12; and
- (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgements or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.

(b) This insurance applies to Property Damage only if:

- (i) The Property Damage is caused by an Occurrence that takes place in the Coverage Territory;
- (ii) The Property Damage occurs during the policy period; and
- (iii) Prior to the policy period, no Insured listed in Section 10.1(a) and no Employee authorized by the Named Insured to give or receive notice of an Occurrence or claim, knew that the Property Damage had occurred, in whole or in part. If such a listed Insured or authorized Employee knew, prior to the policy period, that the Property Damage occurred, then any continuation, change or resumption of such Property Damage during or after the policy period will be deemed to have been known prior to the policy period.

(c) Property Damage which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed in Section 10.1(a) or any Employee authorized by the Named Insured to give or receive notice of an Occurrence or claim, includes any continuation, change or resumption of that Property Damage after the end of the policy period.

(d) Property Damage will be deemed to have been known to have occurred at the earliest time when any Insured listed in Section 10.1(a) or any Employee authorized by the Named Insured to give or receive notice of an Occurrence or claim:

- (i) Reports all, or any part, of the Property Damage to us or any other insurer;
- (ii) Receives a written or verbal demand or claim for Compensatory Damages because of the Property Damage; or
- (iii) Becomes aware by any other means that Property Damage has occurred or has begun to occur.

4.2 Exclusions

This insurance does not apply to:

- (a) Property Damage expected or intended from the standpoint of the Insured.
- (b) Property Damage for which the Insured is obligated to pay Compensatory Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Compensatory Damages that the Insured would have in the absence of the contract or agreement.
- (c) Asbestos – As set out in Section 8.1(a).
- (d) Fungi or Spores – As set out in Section 8.1(b).
- (e) Nuclear - As set out in Section 8.1(c).
- (f) Pollution– As set out in Section 8.1(d).
- (g) Terrorism – As set out in Section 8.1(e).
- (h) War Risks - As set out in Section 8.1(f) .
- (i) Infectious Agent or Communicable Disease – As set out in Section 8.1(g).

ARTICLE 5 VOLUNTARY PROPERTY DAMAGE COVERAGE

5.1 Insuring Agreement

At the request of the Insured named in the Memorandum of Insurance, the Insurer will at its option either:

- (a) pay for the actual cash value of property physically injured or destroyed during the policy period which the owner of the property alleges is the fault of an Insured, or
- (b) repair or replace such property with other property of like quality and kind, but the limit of the Insurer's liability under this endorsement for each occurrence shall not exceed \$3,000, and \$9,000 on an annual aggregate basis.

5.2 Exclusions

This coverage described in this Article 5 does not apply to injury or destruction:

- (a) of property owned by or rented to any Insured or any resident of the household of the Insured named in the Memorandum of Insurance, or
- (b) caused intentionally by any Insured over the age of twelve years.

ARTICLE 6
EMPLOYEE BENEFITS LIABILITY COVERAGE

6.1 Insuring Agreement

(a) We will pay those sums that the Insured becomes legally obligated to pay as Compensatory Damages because of any act, error or omission, of the Insured, or of any person for whose acts the Insured is legally liable, to which this insurance applies. We will have the right and duty to defend the Insured against any Action seeking Compensatory Damages. However, we will have no duty to defend the Insured against any Action seeking Compensatory Damages to which this insurance does not apply. We may at our discretion investigate any report of an act, error or omission and settle any Claim or Action that may result. But:

- (i) The amount we will pay for Compensatory Damages is limited as described in Article 12; and
- (ii) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgements or settlements under this Article 6.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Article 9.

(b) This insurance applies to Compensatory Damages only if:

- (i) The act, error or omission is negligently committed in the Administration of the Named Insured's Employee Benefit Program and takes place in the Coverage Territory;
- (ii) The act, error or omission did not take place after the end of the policy period; and
- (iii) A claim for Compensatory Damages because of an act, error or omission is first made against any Insured, in accordance with Section 6.1(c), during the policy period or any Extended Reporting Period we provide under Section 6.6.

(c) A claim seeking Compensatory Damages will be deemed to have been made at the earlier of the following times:

- (i) when notice of such claim is received and recorded by any Insured or by us, whichever comes first; and
- (ii) when we make settlement in accordance with Section 6.1(a).

(d) All claims for Compensatory Damages made by an Employee because of any act, error or omission, or a series of related acts, errors or omissions, including Compensatory Damages claimed by such Employee's dependents and beneficiaries, will be deemed to have been made at the time the first of those Claims is made against any Insured.

6.2 Exclusions

This insurance does not apply to:

- (a) Compensatory Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission committed by any Insured, including the willful or reckless violation of any statute.
- (b) Bodily Injury, Property Damage or Personal and Advertising Injury.
- (c) Compensatory Damages arising out of failure of performance of contract by any insurer.
- (d) Compensatory Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefit Program.
- (e) Any Claim based upon:
 - (i) Failure of any investment to perform;
 - (ii) Errors in providing information on past performance of investment vehicles; or
 - (iii) Advice given to a person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefit Program.
- (f) Any claim arising out of the Named Insured's failure to comply with any workers compensation, unemployment or employment insurance, social security or disability benefits law or any similar law.
- (g) Any Claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the Insured, from the applicable funds accrued or other collectible insurance.
- (h) Taxes, fines or penalties.
- (i) Compensatory Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.
- (j) Any claim, the result of circumstances of which any Insured had knowledge at the effective date of this insurance.
- (k) Any claim, the result of circumstances which any Insured could reasonably have foreseen at the effective date of this insurance.
- (l) Any Claim for Compensatory Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate Electronic Data.
- (m) Any Claim for Compensatory Damages:
 - (i) Arising directly or indirectly from an Abusive Act committed or alleged to have been committed by an Insured, including the transmission of disease arising out of any Abusive Act.

- (ii) Based on the Insured's practices of Employee hiring, acceptance of Volunteer Workers or supervision or retention of any person alleged to have committed an Abusive Act.
- (iii) Alleging knowledge by an Insured of, or failure to report, the alleged Abusive Act to the appropriate authority(ies).
- (n) Any Claim for Compensatory Damages related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any materials containing asbestos in whatever form or quantity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Compensatory Damages.

- (o) Any Claim for Compensatory Damages:
 - (i) Arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any Fungi or Spores however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of Fungi or Spores;
 - (ii) Arising directly or indirectly from any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with Section 6.2(o)(i); or
 - (iii) Arising directly or indirectly from any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in Sections 6.2(o)(i) or 6.2(o)(ii) above.
 - (iv) This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Compensatory Damages.
- (p) (i). Any Claim for Compensatory Damages imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
 - (i) Any Claim for Compensatory Damages with respect to which an Insured under this Coverage Form is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
 - (ii) Any Claim for Compensatory Damages resulting directly or indirectly from the Nuclear Energy Hazard arising from:

- (A) The ownership, maintenance, operation or use of a Nuclear Facility by or on behalf of an Insured;
- (B) The furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any Nuclear Facility;
- (C) The possession, consumption, use, handling, disposal or transportation of Fissionable Substances, or of other Radioactive Material (except radioactive isotopes, away from a Nuclear Facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Compensatory Damages.

(q) Any Claim for Compensatory Damages:

- (i) Arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants:
- (ii) Arising out of any:
 - (A) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, Pollutants; or
 - (B) Claim or Action by or on behalf of a governmental authority for Compensatory Damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, Pollutants.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Compensatory Damages.

- (r) Any Claim for Compensatory Damages arising directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Compensatory Damages.
- (s) Any Claim for Compensatory Damages due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Compensatory Damages.

6.3 Who is an Insured

In addition to the Insureds set out in Section 10.1(a), each of the following is also an Insured for the purposes of this Article 6:

- (a) Each of the Named Insured's Employees who is or was authorized to administer the Named Insured's Employee Benefit Program.
- (b) Any persons, organizations or Employees having proper temporary authorization to administer the Named Insured's Employee Benefit Program if the Named Insured dies, but only until the Named Insured's legal representative is appointed.
- (c) The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this Article 6.
- (d) Any organization the Named Insured newly acquires or forms, other than a partnership, limited liability partnership, joint venture or limited liability company, and over which the Named Insured maintains ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization.

However:

- (i) Coverage under this provision is afforded only until the 90th day after the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
- (ii) Coverage under this provision does not apply to any act, error or omission that was committed before the Named Insured acquired or formed the organization. No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company, that is not shown as a Named Insured in the Memorandum of Insurance.

6.4 Limits of Insurance

- (a) (i) The limit of insurance under this Article 6 shown in the Memorandum of Insurance and the rules below fix the most we will pay regardless of the number of:
 - (A) Insureds;
 - (B) Claims made or Actions brought;
 - (C) Persons or organizations making Claims or bringing Actions;
 - (D) Acts, errors or omissions;
 - (E) Benefits included in the Named Insured's Employee Benefit Program; or
 - (F) Number of Memoranda of Insurance issued to any Insured.
- (ii) The Aggregate Limit is the most we will pay for all Compensatory Damages because of acts, errors or omissions negligently committed in the Administration of the Named Insured's Employee Benefit Program. The Aggregate Limit will not exceed the highest limit in the Memorandum of Insurance where more than one Memoranda is issued.
- (iii) If a claim arises and if more than one Memorandum of Insurance provides coverage, the amount payable with respect to that claim under all Memoranda of Insurance shall not exceed the highest per claim limit shown in any one of the Memoranda.

- (iv) Subject to Section 7.4(b), the Each Employee Limit is the most we will pay for all Compensatory Damages sustained by any one Employee, including damages sustained by such Employee's dependents and beneficiaries, as a result of:
 - (A) An act, error or omission; or
 - (B) A series of related acts, errors or omissions negligently committed in the Administration of the Named Insured's Employee Benefit Program. However, the amount paid under this Article 6 shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the Employee Benefit Program. The Aggregate Limit applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Memorandum of Insurance, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
- (b)
 - (i) Our obligation to pay Compensatory Damages on behalf of the Insured applies only to the amount of Compensatory Damages in excess of the deductible amount stated in the Memorandum of Insurance as applicable to Employee Benefits Liability. The Employee Benefits Each Employee Limit will be reduced by this amount. The Employee Benefits Aggregate Limit shall not be reduced by the amount of this deductible.
 - (ii) The deductible amount stated in the Memorandum of Insurance applies to all Compensatory Damages sustained by any one Employee, including such Employee's dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
 - (iii) The terms of this insurance, including those with respect to:
 - (A) Our right and duty to defend any Actions seeking those damages; and
 - (B) The Named Insured's duties, and the duties of any other involved Insured, in the event of an act, error or omission, or Claim,

apply irrespective of the application of the deductible amount.
 - (iv) We may pay any part or all of the deductible amount to effect settlement of any Claim or Action and, upon notification of the action taken, the Named Insured shall promptly reimburse us for such part of the deductible amount as we have paid.

6.5 Employee Benefits Liability Conditions

- (a) In addition to the Conditions set out in this Section 6.5, the General Conditions set out in Sections 13.2, 13.3, 13.4, 13.5, 13.8, 13.11, 13.12, 13.13, 13.14, 13.15 and 13.16 apply to this Article 6.
- (b) Duties In The Event Of An Act, Error Or Omission, Or Claim or Action

- (i) The Named Insured must see to it that we are notified as soon as practicable of any act, error or omission, which may result in a Claim. To the extent possible, notice should include:
 - (A) What the act, error or omission was and when it occurred; and
 - (B) The names and addresses of anyone who may suffer Compensatory Damages as a result of the act, error or omission.
 - (ii) If a Claim is made or Action is brought against any Insured any Insured, the Named Insured must:
 - (A) Immediately record the specifics of the Claim or Action and the date received; and
 - (B) Notify us as soon as practicable. The Named Insured must see to it that we receive written notice of the claim as soon as practicable.
 - (iii) The Named Insured and any involved Insured must:
 - (A) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the Claim or Action;
 - (B) Authorize us to obtain records and other information;
 - (C) Cooperate with us in the investigation or settlement of the claim or defense against the Action; and
 - (D) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of an act, error or omission to which this insurance may also apply.
 - (iv) No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- (c) Other Insurance

If other valid and collectible insurance is available to the Insured for a loss we cover under this Article 6, our obligations are limited as follows:

(i) Primary Insurance

This insurance is primary except when Section 6.5(c)(ii) applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 6.5(c)(iii).

(ii) Excess Insurance

- (A) This insurance is excess over any of the other insurance, whether primary, excess, contingent, or on any other basis that is effective prior to the beginning of the policy period shown in the Memorandum of Insurance and applies to an

act, error or omission on other than a claims-made basis if the other insurance has a policy period, which continues after the effective date, shown in the Memorandum of Insurance of this insurance.

- (B) When this insurance is excess, we will have no duty to defend the Insured against any Action if any other insurer has a duty to defend the Insured against that Action. If no other insurer defends, we will undertake to do so, but we will be entitled to all the Insured's rights against all those other insurers.
- (C) When this Insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - i. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - ii. The total of all deductible and self-insured amounts under all that other insurance.
- (D) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision, and was not bought specifically to apply in excess of the Limits of Insurance shown in the Memorandum of Insurance for this Article 6.

(iii) Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6.6 Extended Reporting Period

- (a) We will provide an Extended Reporting Period as set forth below, if this coverage is cancelled or not renewed for any reason except non-payment of premium.
- (b) The Extended Reporting Period starts with the end of the policy period and lasts for sixty (60) days.

The Extended Reporting Period does not apply to Claims that are covered under any subsequent insurance the Named Insured purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such Claims.

- (c) The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to Claims for acts, errors or omissions that were first committed before the end of the policy period.

Claims for such acts, errors or omissions which are first received and recorded during the Extended Reporting Period will be deemed to have been made on the last day of the policy period.

- (d) The Extended Reporting Period does not reinstate or increase the Limits of Insurance applicable to any Claim to which this Article 6. applies.

6.7 Definitions

In this Article 6, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

“Action” means a civil proceeding in which Compensatory Damages because of an act, error or omission to which this insurance applies are alleged. **“Action”** includes

- (a) An arbitration proceeding in which such Compensatory Damages are claimed and to which the Insured must submit or does submit with our consent; or
- (b) Any other alternative dispute resolution proceeding in which such Compensatory Damages are claimed and to which the Insured submits with our consent.

“Administration” means:

- (a) Providing information to Employees, including their dependents and beneficiaries, with respect to eligibility for or scope of Employee Benefit Programs;
- (b) Handling records in connection with the Employee Benefit Program; or
- (c) Effecting, continuing or terminating any Employee’s participation in any benefit included in the Employee Benefit Program.

However, **“Administration”** does not include handling payroll deductions.

“Claim” means any demand or Action, made by an Employee or an Employee’s dependents and beneficiaries, for Compensatory Damages as the result of an act, error or omission.

“Coverage Territory” means Canada.

“Electronic Data” means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

“Employee” means a person actively employed, formerly employed, on leave of absence or disabled, or retired. **“Employee”** includes a Leased Worker. **“Employee”** does not include a Temporary Worker.

“Employee Benefit Program” means a program providing some or all of the following benefits to Employees:

- (a) Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an Employee may subscribe to such benefits and such benefits are made generally available to those Employees who satisfy the plan’s eligibility requirements;
- (b) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an Employee may subscribe to

such benefits and such benefits are made generally available to all Employees who are eligible under the plan for such benefits;

- (c) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- (d) Vacation plans, leave of absence programs, tuition assistance plans, transportation and health club subsidies.

"Executive officer" means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

ARTICLE 7

CONDOMINIUM UNIT OWNER'S LIABILITY LOSS ASSESSMENT COVERAGE

7.1 Applicability

This Article 7 applies only if the Named Insured owns one or more units in the real property of a condominium corporation, strata corporation or divided co-ownership syndicate located within the Coverage Territory.

7.2 Insuring Agreement

We will reimburse the Named Insured for the Named Insured's share of any special assessment charged to all unit owners because of:

- (a) an Action brought against the condominium corporation, strata corporation or divided co-ownership syndicate for Damages arising from:
 - (i) an Occurrence or offence to which this Policy would apply if the Action had been brought against the Named Insured;
 - (ii) a Wrongful Act committed by a director or Executive Officer of the condominium corporation, strata corporation or divided co-ownership syndicate, but only if the Claim for such Wrongful Act is first made against the director, Executive Officer, condominium corporation, strata corporation or divided co-ownership syndicate during the policy period; or
- (b) the application of a deductible to the liability insurance of the condominium corporation, strata corporation or divided co-ownership syndicate.

7.3 Limit of insurance

The limit of insurance shown for this coverage in the Memorandum of Insurance is the most we will pay for any one Occurrence, offence or Wrongful Act, regardless of the number of units owned by the Named Insured.

7.4 Definitions

In this Article 7,

(a) **“Claim”** means:

- (i) a written or oral notice received by a director, Executive Officer, condominium corporation, strata corporation or divided co-ownership syndicate that it is the intention of any party to hold that director, Executive Officer, condominium corporation, strata corporation or divided co-ownership syndicate responsible for a Wrongful Act to which this Article 7 applies; or
- (ii) a specific written or oral allegation received by a director, Executive Officer, condominium corporation, strata corporation or divided co-ownership syndicate that a Wrongful Act to which this endorsement applies has been committed by a director, Executive Officer, condominium corporation, strata corporation or divided co-ownership syndicate.

(b) **“Wrongful Act”** means any negligent act, error or omission.

7.5 Limit of Liability

Our limit of liability under this Article 7 is:

\$ 2,000,000 Each Occurrence

\$ 2,000,000 Aggregate

ARTICLE 8 COMMON EXCLUSIONS

8.1 Common Exclusions

The insurance described in Article 1, Article 2, Article 3 and Article 4 does not apply to:

(a) **Asbestos**

Bodily Injury, Property Damage or Personal and Advertising Injury related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury, Property Damage or Personal and Advertising Injury.

(b) **Fungi and Spores**

- (i) Bodily Injury, Property Damage, or Personal or Advertising Injury or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or

threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any Fungi or Spores however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of Fungi or Spores;

- (ii) any supervision, instruction, recommendations, warnings, or advice given or which should have been given in connection with Section 8.1(b)(i); or
- (iii) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in Section 8.1(b)(i) or 8.1(b)(ii).

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury, Property Damage, or Personal or Advertising Injury.

For the purpose of the following exception:

- (i) “Property Damage” means physical injury to animals.
- (ii) “Products-Completed Operations Hazard” means all Bodily Injury and Property Damage that arises out of Your Product provided the Bodily Injury or Property Damage occurs after the Named Insured has relinquished physical possession of Your Product.

This exclusion does not apply to Bodily Injury or Property Damage included in the Products-Completed Operations Hazard arising directly or indirectly from Fungi or Spores that are found in or on, or are, Your Product, and the Named Insured intends Your Product to be:

(1) applied topically to; or

(2) ingested by;

humans or animals.

(c) **Nuclear Energy Liability**

- (i) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- (ii) Bodily Injury, Property Damage or Personal and Advertising Injury with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- (iii) Bodily Injury, Property Damage or Personal and Advertising Injury resulting directly or indirectly from the nuclear energy hazard arising from:
 - (A) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;

- (B) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility;
- (C) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the Bodily Injury, Property Damage or Personal and Advertising Injury.

(d) Pollution Liability

- (i) Bodily Injury, Property Damage or Personal and Advertising Injury arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants:
 - (A) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this subparagraph does not apply to:
 - i. Bodily Injury if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - ii. Bodily Injury or Property Damage for which the Named Insured may be held liable, if the Named Insured is a contractor and the owner or lessee of such premises, site or location has been added to the Named Insured's policy as an additional insured with respect to the Named Insured ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any Insured, other than that additional insured;
 - iii. Bodily Injury or Property Damage arising out of heat, smoke or fumes from a Hostile Fire; or
 - iv. Bodily Injury or Property Damage arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants:
 - Results in the injurious presence of Pollutants in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and

- Is detected within 120 hours after the commencement of the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
 - Is reported to us within 120 hours of being detected; and
 - Does not occur in a quantity or with a quality that is routine or usual to the business of the Insured.
- (B) At or from any premises, site or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing or treatment of waste;
- (C) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- i. Any Insured; or
 - ii. Any person or organization for whom the Named Insured may be legally responsible; or
- (D) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the Pollutants are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this subparagraph does not apply to:
- i. Bodily Injury or Property Damage arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment that is not an Automobile or its parts, if such fuels, lubricants or other operating fluids escape from a mobile equipment part designed to hold, store or receive them. This exception does not apply if the Bodily Injury or Property Damage arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such Insured, contractor or subcontractor;
 - ii. Bodily Injury or Property Damage sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by the Named Insured or on the Named Insured's behalf by a contractor or subcontractor;
 - iii. Bodily Injury or Property Damage arising out of heat, smoke or fumes from a Hostile Fire; or
 - iv. Bodily Injury or Property Damage arising out of an unexpected or unintentional spill, discharge, emission, dispersal, seepage, leakage,

migration, release or escape of Pollutants provided such spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of Pollutants:

- Results in the injurious presence of Pollutants in or upon land, the atmosphere, drainage or sewage system, watercourse or body of water; and
- Is detected within 120 hours after the commencement of the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape; and
- Is reported to us within 120 hours of being detected; and
- Does not occur in a quantity or with a quality that is routine or usual to the business of the Insured.

(E) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, Pollutants.

(ii) Any loss, cost or expense arising out of any:

- (A) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, Pollutants; or
- (B) Claim or Action by or on behalf of a governmental authority for Compensatory Damage" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, Pollutants. However, this Section (B) does not apply to liability for Compensatory Damages because of Property Damage that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or Action by or on behalf of a governmental authority.

With respect to any insurance afforded to the Insured under Section Part D8.1(d)(i)(A)iv and Section Part D8.1(d)(i)(D)iv, the limit of Our liability shall be as follows:

\$ 5,000,000. Each Occurrence

\$ 5,000,000. Aggregate

The Each Occurrence Limit is the most we will pay for compensatory damages because of all Bodily Injury and Property Damage arising out of any one Occurrence. The Aggregate Limit is the most we will pay for compensatory damages because of all Bodily Injury and Property Damage. The Aggregate Limit applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after issuance for an additional period

of less than 12 months. In that case the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

(e) **Terrorism**

- (i) Bodily Injury, Property Damage, or Personal and Advertising Injury arising directly or indirectly, in whole or in part, out of Terrorism or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury, Property Damage or Personal and Advertising Injury.
- (ii) In this Section 8.10, “**Terrorism**” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

(f) **War Risks**

Bodily Injury, Property Damage, or Personal and Advertising Injury arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury, Property Damage, or Personal and Advertising Injury.

(g) **Infectious Agent or Communicable Disease**

- (i) Bodily Injury, Property Damage, or Personal and Advertising Injury directly or indirectly arising out of or relating in any way to any actual, alleged, potential for, or threat of (whether actual or perceived) Communicable Disease.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the Bodily Injury, Property Damage, or Personal and Advertising Injury.

Without limiting the foregoing, this exclusion also applies even if the claims against any insured allege negligence or other wrongdoing in:

- (A) Supervising, investigating, hiring, employing, training, or monitoring of others who may be infected with or spread Communicable Disease;
- (B) Testing property or persons for the presence of Communicable Disease;
- (C) Failure to prevent or abate (a) the presence of or (b) exposure to Communicable Disease;
- (D) Failure or inability to provide a safe work environment, including but not limited to the failure to provide, evaluate, obtain, maintain, or require the use of personal protective equipment;

- (E) Failure to warn of or disclose the presence of, exposure to, diagnosis of, or spread or transmission of Communicable Disease; or
- (F) Failure to report or publish the presence of, exposure to, diagnosis of, or spread or transmission of Communicable Disease.

This Section 8.1(g) does not apply to any Bodily Injury caused by:

- (A) Any Fungi or Bacteria that are, are on, or are contained in an edible good or edible product intended for human or animal consumption;
- (B) Any Food Contamination; or
- (C) Any Good Samaritan Acts rendered or performed by an Insured.

Subparagraph 8.1(g)(i)(A) does not apply to diseases contracted by contact with Fungi or Bacteria in water, water vapor or water droplets, including but not limited to Legionnaire's Disease.

(ii) Any loss, cost, or expense arising out of any:

- (A) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of Communicable Disease; or
- (B) Claim or Action for costs or damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of Communicable Disease.

Such loss, cost, or expense is excluded regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, cost, or expense.

(iii) Any loss, cost, or expense caused directly or indirectly by any activity or decision of:

- (A) A government;
- (B) A government agency, authority, department, or other body created or controlled by a government;
- (C) A public health agency or authority; or
- (D) Any other entity, whether public or private;

to prevent, respond to, avoid, or minimize the effects of or terminate Communicable Disease including, without limiting the foregoing, quarantine or isolation of, or prevention of access to, persons or property.

Wherever used in this Section 8.1(g):

"Bacteria" means any type or form of bacteria and any materials or substances that are produced or released by bacteria.

"Communicable Disease" means any illness, syndrome, disease, physical distress, or injury caused by, arising out of, aggravated by, contributed to, or in any manner relating to any Infectious Agent and includes any Infectious Agent which may cause, contribute to, or aggravate illness, syndrome, disease, physical distress, or injury.

"Food Contamination" means an outbreak of food poisoning or food-related illness of one or more persons arising out of:

- (a) Tainted food the Insured distributed or purchased;
- (b) Food which has been improperly processed, stored, handled, or prepared in the course of the Insured's business operations; or
- (c) Food which has been contaminated by virus or Bacteria transmitted through one or more of the Insured's employees.

"Good Samaritan Act" means any assistance of a medical nature rendered or performed in an emergency situation for which no remuneration is requested or received provided that the injured party would have suffered additional injury or death had such assistance not been rendered or performed.

"Infectious Agent" includes, but is not limited to, any pathogen, virus, Bacteria, protein, parasite, or any other biological or non-biological agent or organism or any combination or variation of the foregoing, whether living or not.

For greater certainty, this exclusion (and any other exclusion in or endorsed on this Policy) does not create a presumption that loss or damage would have been covered but for the existence of the exclusion. Further, the terms of this exclusion and the applicability or the inapplicability of this exclusion do not serve to create coverage for any loss or damage that would otherwise not be covered under this Policy.

ARTICLE 9 SUPPLEMENTARY PAYMENTS

9.1 Supplementary Payments

We will pay, with respect to any claim we investigate, settle or any Action against an Insured we defend:

- (a) All expenses we incur.
- (b) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- (c) All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the Claim or Action, including actual loss of earnings up to \$250 a day because of time off from work.
- (d) All costs assessed or awarded against the Insured in the Action.

- (e) Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

9.2 Defense of Indemnatee

If we defend an Insured against an Action and an indemnatee of the Insured is also named as a party to the Action, we will defend that indemnatee if all of the following conditions are met:

- (a) The "action" against the indemnatee seeks Compensatory Damages for which the Insured has assumed the liability of the indemnatee in a contract or agreement that is an Insured Contract;
- (b) This insurance applies to such liability assumed by the Insured;
- (c) The obligation to defend, or the cost of the defense of, that indemnatee, has also been assumed by the Insured in the same Insured Contract;
- (d) The allegations in the Action and the information we know about the Occurrence are such that no conflict appears to exist between the interests of the Insured and the interests of the indemnatee;
- (e) The indemnatee and the Insured ask us to conduct and control the defense of that indemnatee against such Action and agree that we can assign the same counsel to defend the Insured and the indemnatee; and
- (f) The indemnatee:
 - (i) Agrees in writing to:
 - (A) Cooperate with us in the investigation, settlement or defense of the Action;
 - (B) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the Action;
 - (C) Notify any other insurer whose coverage is available to the indemnatee; and
 - (D) Cooperate with us with respect to coordinating other applicable insurance available to the indemnatee; and
 - (ii) Provides us with written authorization to:
 - (A) Obtain records and other information related to the Action; and
 - (B) Conduct and control the defense of the indemnatee in such Action.

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnatee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnatee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Section 1.2(b)(ii)(B), such payments will not be deemed to be Compensatory Damages for Bodily Injury and Property Damage and will not reduce the limits of insurance.

Our obligation to defend an Insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Section 9.2(f), are no longer met.

ARTICLE 10

WHO IS AN INSURED UNDER THIS PART D

10.1 Insureds

- (a) If the Named Insured designated in the Memorandum of Insurance is:
 - (i) An individual, the Named Insured's spouse is also an Insured, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
 - (ii) A partnership, limited liability partnership or joint venture, the partnership, limited liability partnership or joint venture's members, partners, former partners, and their spouses are also Insureds, but only with respect to the conduct of the business of the partnership, limited liability partnership or joint venture, the partnership, limited liability partnership or joint venture.
 - (iii) A limited liability company, the limited liability company's members are also Insureds, but only with respect to the conduct of the business of the Named Insured. The limited liability company's managers are Insureds, but only with respect to their duties as managers.
 - (iv) An organization other than a partnership, limited liability partnership, joint venture or limited liability company, the organization's executive officers and directors are also Insureds, but only with respect to their duties as officers or directors of the organization. The organization's shareholders are also Insureds but only with respect to their liability as shareholders.
 - (v) A trust, the trustees are also Insureds, but only with respect to their duties as trustees.
- (b) Each of the following is also an Insured:
 - (i) The Named Insured's Volunteer Workers only while performing duties related to the conduct of the Named Insured's business, or the Named Insured's Employees, other than either the Named Insured's Executive Officers (if the Named Insured is an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or the Named Insured's managers (if the Named Insured is a limited liability company), but only for acts within the scope of their employment by the Named Insured or while performing duties related to the conduct of the Named Insured's business. However, none of these Employees or Volunteer Workers are Insureds for:
 - (A) Bodily Injury or Personal and Advertising Injury:

- i. To the Named Insured, to the Named Insured's partners or members (if the Named Insured is a partnership, limited liability partnership or joint venture), to the Named Insured's members (if the Named Insured is a limited liability company), to a co-Employee while in the course of his or her employment or performing duties related to the conduct of the Named Insured's business, or to the Named Insured's other Volunteer Workers while performing duties related to the conduct of the Named Insured's business;
- ii. To the spouse, child, parent, brother or sister of that co-Employee or Volunteer Worker as a consequence of Section 10.1(b)(i)(A)i;
- iii. For which there is any obligation to share Compensatory Damages with or repay someone else who must pay Compensatory Damages because of the injury described in Sections 10.1(b)(i)(A)i or 10.1(b)(i)(A)ii;
- iv. Arising out of his or her providing or failing to provide professional health care services; or
- v. To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.

(B) Property Damage to property that is:

- i. Owned, occupied or used by,
- ii. Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

the Named Insured, any of the Named Insured's Employees, Volunteer Workers, any partner or member (if the Named Insured is a partnership, limited liability partnership or joint venture), or any member (if the Named Insured is a limited liability company).

- (ii) Any person (other than the Named Insured's employee or Volunteer Worker), or any organization while acting as the Named Insured's real estate manager.
- (iii) Any person or organization having proper temporary custody of the Named Insured's property if the Named Insured dies, but only:
 - (A) With respect to liability arising out of the maintenance or use of that property; and
 - (B) Until the Named Insured's legal representative has been appointed.
- (iv) The Named Insured's legal representative if the Named Insured dies, but only with respect to duties as such. That representative will have all the Named Insured's rights and duties under this Policy.

- (v) The Named Insured's unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
- (vi) Any person or organization the Named Insured is required to add as an additional insured under this Policy pursuant to a written contract or written agreement made in the ordinary course of the business of the Named Insured as described in the Memorandum of Insurance, provided that the insurance provided to the additional insured person or organization applies only to Bodily Injury, Property Damage or Personal and Advertising Injury covered under Commercial General Liability, Part DArticle 1, Coverage A. Bodily Injury and Property Damage Liability and Part DArticle 2, Coverage B. Personal and Advertising Injury Liability, but only with respect to liability for Bodily Injury, Property Damage or Personal and Advertising Injury caused, in whole or in part, by:
 - (A) the Named Insured's acts or omissions; or
 - (B) The acts or omissions of those acting on the Named Insured's behalf; and resulting directly from:
 - i. the Named Insured's ongoing operations; or
 - ii. the Named Insured's Work completed as included in the Products-Completed Operations Hazard,performed for the additional insured person or organization, which is the subject of the written contract or written agreement.

However, regardless of the provisions of this Section 10.1(b)(vi):

- (C) We will not extend any insurance coverage to any additional insured person or organization:
 - i. That is not provided to the Named Insured in this Policy; or
 - ii. That is any broader coverage than the Named Insured is required to provide to the additional insured person or organization in the written contract or written agreement; and
- (D) We will not provide Limits of Insurance to any additional insured person or organization that exceeds the lower of:
 - i. The Limits of Insurance provided to the Named Insured in this Policy; or
 - ii. The Limits of Insurance the Named Insured is required to provide in the written contract or written agreement.

The additional insured person or organization must see to it that:

- (E) We are notified as soon as practicable of an Occurrence or offense that may result in a claim;
 - (F) We receive written notice of a claim or Action as soon as practicable; and
 - (G) A request for defence and indemnity of the claim or Action will promptly be brought against any policy issued by another insurer under which the additional insured person or organization may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured, if the written contract or written agreement requires that this coverage be primary and non-contributory.
- (c) Any organization the Named Insured newly acquires or forms, other than a partnership, limited liability partnership, joint venture or limited liability company, and over which the Named Insured maintains ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- (i) Coverage under this provision is afforded only until the 90th day after the Named Insured acquires or forms the organization or the end of the policy period, whichever is earlier;
 - (ii) The coverages provided under Article 1 and Article 4 do not apply to Bodily Injury or Property Damage that occurred before the Named Insured acquired or formed the organization; and
 - (iii) The coverage provided under Article 2 does not apply to Personal and Advertising Injury arising out of an offense committed before the Named Insured acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Memorandum of Insurance.

ARTICLE 11 LIMITATIONS

11.1 Trade and Economic Sanctions Limitation

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

ARTICLE 12 LIMITS OF INSURANCE

12.1 Limits of Insurance

- (a) The Limits of Insurance in the Memorandum of Insurance and the rules below fix the most we will pay regardless of the number of:

- (i) Insureds;
 - (ii) Claims made or Actions brought;
 - (iii) Persons or organizations making claims or bringing Actions; or
 - (iv) Number of Memoranda of Insurance issued to any Insured. The highest Limit of Insurance will apply where more than one Memoranda of Insurance is issued to any Insured.
- (b) The General Aggregate Limit is the most we will pay for the sum of:
- (i) Compensatory Damages under Article 1 except Compensatory Damages because of Bodily Injury or Property Damage included in the Products-Completed Operations Hazard;
 - (ii) Compensatory Damages under Article 2; and
 - (iii) Medical expenses under Article 3.
- (c) The Products-Completed Operations Aggregate Limit is the most we will pay under Article 1 for Compensatory Damages because of Bodily Injury and Property Damage included in the Products-Completed Operations Hazard.
- (d) Subject to Sections 12.1(a), or 12.1(b), whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- (i) Compensatory Damages under Article 1; and
 - (ii) Medical payments under Article 3;

because of all Bodily Injury and Property Damage arising out of any one Occurrence.

- (e) Subject to Section 12.1(a), the Personal and Advertising Injury Limit is the most we will pay under Article 2 for the sum of all Compensatory Damages because of all Personal and Advertising Injury sustained by any one person or organization.
- (f) The Tenants' Legal Liability limit is the most we will pay under Article 4 for Compensatory Damages because of Property Damage to any one premises.
- (g) Subject to Section 12.1(d), the Medical Expense Limit is the most we will pay under Article 3 for all medical expenses because of Bodily Injury sustained by any one person.
- (h) The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Memorandum of Insurance, unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

12.2 Deductible

- (a) Our obligation under Property Damage Liability and Tenants' Legal Liability to pay Compensatory Damages on the Named Insured's behalf applies only to the amount of Compensatory Damages in excess of any deductible amounts stated in the Memorandum of Insurance as applicable to such coverages, and the limits of insurance applicable to each Occurrence for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
- (b) The deductible amount applies as follows:
 - (i) Under Coverage A: To all Compensatory Damages because of Property Damage as the result of any one Occurrence, regardless of the number of persons or organizations who sustain Compensatory Damages because of that Occurrence.
 - (ii) Under Coverage D: To all Compensatory Damages because of Property Damage as the result of any one Occurrence, regardless of the number of persons or organizations who sustain Compensatory Damages because of that Occurrence.
- (c) The terms of this insurance, including those in respect to:
 - (i) our right and duty to defend any Action seeking those Compensatory Damages; and
 - (ii) the Named Insured's duties in the event of an Occurrence, claim or Action apply irrespective of the application of the deductible amount.
- (d) We may pay any part or all of the deductible amount to effect settlement of any claim or Action and, upon notification of the action taken, the Named Insured shall promptly reimburse us for such part of the deductible amount as we have paid.

ARTICLE 13 COMMERCIAL GENERAL LIABILITY CONDITIONS

13.1 Invalidity

If any portion of the conditions set out in this Article 13 are found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

13.2 Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this Policy.

13.3 Canadian Currency

All limits of insurance, premiums and other amounts as expressed in this Policy are in Canadian currency.

13.4 Changes

This Policy contains all the agreements between the Named Insured and us concerning the insurance afforded. The first Named Insured shown in the Memorandum of Insurance is authorized to make changes in the terms

of this Policy with our consent. This Policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

13.5 Duties in the Event of Occurrence, Claim or Action

- (a) The Named Insured must see to it that we are notified as soon as practicable of an Occurrence or an offence which may result in a claim. To the extent possible, notice should include:
 - (i) How, when and where the Occurrence or offence took place;
 - (ii) The names and addresses of any injured persons and witnesses; and
 - (iii) The nature and location of any injury or damage arising out of the Occurrence or offense.
- (b) If a claim is made or Action is brought against any Insured, the Named Insured must:
 - (i) Immediately record the specifics of the claim or Action and the date received; and
 - (ii) Notify us as soon as practicable

The Named Insured must see to it that we receive written notice of the claim or Action as soon as practicable.
- (c) The Named Insured and any other involved Insured must:
 - (i) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or Action;
 - (ii) Authorize us to obtain records and other information;
 - (iii) Cooperate with us in the investigation or settlement of the claim or defense against the Action; and
 - (iv) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- (d) No Insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

13.6 Examination of the Named Insured's Books and Records

We may examine and audit the Named Insured's books and records as they relate to this Policy at any time during the policy period and up to three years afterward.

13.7 Inspections and Surveys

- (a) We have the right to:
 - (i) Make inspections and surveys at any time;
 - (ii) Give the Named Insured reports on the conditions we find; and

- (iii) Recommend changes.
- (b) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - (i) Are safe or healthful; or
 - (ii) Comply with laws, regulations, codes or standards.
- (c) Sections 13.7(a) and 13.7(b) apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- (d) Section 13.7(b) does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

13.8 Legal Action Against Us

No person or organization has a right under this Policy:

- (a) To join us as a party or otherwise bring us into an Action asking for Compensatory Damages from an Insured; or
- (b) To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgement against an Insured obtained after an actual trial; but we will not be liable for Compensatory Damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

Every action or proceeding against an insurer for the recovery of insurance money payable under contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

13.9 Other Insurance

If other valid and collectible insurance is available to the Insured for a loss we cover under Article 1, Article 2, or Article 4 of this Policy our obligations are limited as follows:

- (a) **Primary Insurance**
 - (i) Subject to Section 13.9(a)(ii), this insurance is primary except when Section 13.9(b) applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Section 13.9(c).
 - (ii) The insurance provided under Section 10.1(b)(vi) is primary insurance as respects our coverage to the additional insured person or organization, where the written contract or

written agreement requires that this insurance be primary and non-contributory. In that event, we will not seek contribution from any other insurance policy available to the additional insured on which the additional insured person or organization is a Named Insured.

(b) **Excess Insurance**

(i) Subject to Section Part D13.9(b)(ii), this insurance is excess over:

(A) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- i. That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for Your Work;
- ii. That is Fire insurance for premises rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner;
- iii. If the loss arises out of the maintenance or use of watercraft or Automobile to the extent not subject to either Sections 1.2(f) or 1.2(g).

(B) Any other primary insurance available to the Named Insured covering liability for Compensatory Damages arising out of the premises or operations or products-completed operations for which the Named Insured has been added as an additional insured by attachment of an endorsement.

(ii) The insurance provided under Section 10.1(b)(vi) is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on this Policy is also covered as an additional insured by attachment of an endorsement to another policy providing coverage for the same Occurrence, claim or Action. This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where this Policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

(iii) When this insurance is excess, we will have no duty under Article 1, Article 2, or Article 4 to defend the Insured against any Action if any other insurer has a duty to defend the Insured against that Action. If no other insurer defends, we will undertake to do so, but we will be entitled to the Insured's rights against all those other insurers.

(iv) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(A) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(B) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Memorandum of Insurance.

(c) **Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

13.10 Premium Audit

- (a) We will compute all premiums for this Policy in accordance with our rules and rates.
- (b) Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Memorandum of Insurance of this Policy.
- (c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

13.11 Premiums

The first Named Insured shown in the Memorandum of Insurance:

- (a) Is responsible for the payment of all premiums; and
- (b) Will be the payee for any return premiums we pay.

13.12 Representations or Fraud

By accepting this Policy, you agree:

- (a) The statements in the Memorandum of Insurance are accurate and complete;
- (b) Those statements are based upon representations you made to us;
- (c) We have issued this Policy in reliance upon the Named Insured's representations; and
- (d) This Policy is void in any case of fraud by you as it relates to this Policy or any Claim or Action under this Policy.

13.13 Separation of Insureds, Cross Liability

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- (a) As if each Named Insured were the only Named Insured; and
- (b) Separately to each Insured against whom claim is made or Action is brought.

13.14 Termination

- (a) The first Named Insured shown in the Memorandum of Insurance may terminate this Policy by mailing or delivering to us advance written notice of termination.
- (b) We may terminate this Policy by mailing or delivering to the first Named Insured written notice of termination at least:
 - (i) 5 days before the effective date of termination if personally delivered and we terminate for nonpayment of premium;
 - (ii) 15 days before the effective date of termination if sent by registered mail or personally delivered and we terminate for nonpayment of premium; or
 - (iii) 30 days before the effective date of termination if sent by registered mail or personally delivered and we terminate for any other reason.

Except in Quebec, if notice is mailed, the fifteen days set out in section 13.14(b)(ii) and the 30 days applicable to termination by registered mail under section 13.14(b)(iii) begin on the day following the receipt of the registered letter at the Post Office to which it is addressed. Proof of mailing will be sufficient proof of notice.

In Quebec, Section 13.14(b)(i) does not apply and termination under section 13.14(b)(ii) takes effect 15 days after receipt of the notice at the last known address of the first Named Insured, and termination under section 13.14(b)(iii) takes effect 30 days after receipt of the notice at the last known address of the first Named Insured.

- (c) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- (d) The policy period will end on the date termination takes effect.
- (e) If this Policy is terminated, we will send the first Named Insured any premium refund due, after deducting any outstanding premiums. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

13.15 Transfer of Rights of Recovery Against Others to Us

- (a) If the Insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring Action or transfer those rights to us and help us enforce them.

- (b) We will waive our right to recover against any person or organization to whom an Insured is obligated by virtue of a written Insured Contract, if:
 - (i) The written Insured Contract requires the Insured to waive their rights to recover from the person or organization named in the written Insured Contract;
 - (ii) The waiver applies to the Insured's ongoing operations or Your Work or Your Products for that person or organization; and
 - (iii) The written Insured Contract was executed and in effect before any Occurrence, offence, accident, injury, negligent act, error or omission, loss or demand that would give rise to a claim under this Policy.
- (c) Section 13.15(b) does not apply to:
 - (i) Any waiver with respect to operations or work in which the Insured does not have a contractual interest; or
 - (ii) Any person who is an engineer, designer, architect, draftsperson or surveyor or any organization with respect to an engineer, designer, architect, draftsperson or surveyor employed by such organization, except as agreed to in writing by us.

13.16 Transfer of Named Insured's Rights and Duties Under This Policy

The Named Insured's rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If the Named Insured dies, his or her rights and duties will be transferred to his or her legal representative but only while acting within the scope of duties as the Named Insured's legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of the Named Insured's property will have the Named Insured's rights and duties but only with respect to that property.

ARTICLE 14 DEFINITIONS

14.1 Definitions

In this Part D, capitalized terms that are not otherwise defined shall have the meaning set forth immediately below, and shall include the plural as well as the singular:

"Abusive Act" means any act or series of acts of actual or threatened abuse or molestation, including but not limited to verbal, physical, mental, emotional, psychological, financial, economic, cultural, identity or sexual abuse or molestation done to any person by any person or organization.

"Action" means a civil proceeding in which Compensatory Damages because of Bodily Injury, Property Damage or Personal and Advertising Injury to which this insurance applies are alleged. **"Action"** includes:

- (a) An arbitration proceeding in which Compensatory Damages are claimed and to which the Insured must submit or does submit with our consent; or
- (b) Any other alternative dispute resolution proceeding in which Compensatory Damages are claimed and to which the Insured submits with our consent.

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about the Named Insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- (a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- (b) Regarding websites, only that part of a website that is about the Named Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

"Automobile" means a land motor vehicle, trailer or semitrailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.

"Bodily Injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.

"Compensatory Damages" means damages due or awarded in payment for actual injury or economic loss.

"Compensatory Damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.

"Coverage Territory" means:

- (a) Canada and the United States of America (including its territories and possessions);
- (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between places included in subsection (a) above; or
- (c) All other parts of the world if the injury or damage arises out of:
 - (i) Goods or products made or sold by the Insured in the territory described in subsection (a) above; or
 - (ii) The activities of an Insured person whose home is in the territory described in subsection (a) above, but is away for a short time on the Named Insured's business; or
 - (iii) Personal and Advertising Injury offenses that take place through the Internet or similar electronic means of communication,

provided the Insured's responsibility to pay Compensatory Damages is determined in an Action on the merits, in the territory described in subsection (a) above or in a settlement we agree to.

"Electronic Data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

"Employee" includes a Leased Worker and a Temporary Worker.

"Executive Officer" means a person holding any of the officer positions created by the Named Insured's charter, constitution, by-laws or any other similar governing document.

"Fissionable Substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

"Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any Fungi or Spores or resultant mycotoxins, allergens, or pathogens.

"Hostile Fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

"Impaired Property" means tangible property, other than Your Product or Your Work, that cannot be used or is less useful because:

- (a) It incorporates Your Product or Your Work that is known or thought to be defective, deficient, inadequate or dangerous; or
- (b) The Named Insured has failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (c) The repair, replacement, adjustment or removal of Your Product or Your Work; or
- (d) The Named Insured fulfilling the terms of the contract or agreement.

"Incidental Medical Malpractice Injury" means Bodily Injury arising out of the rendering of or failure to render, during the policy period, the following services:

- (a) medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
- (b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

by any Insured or any indemnitee causing the Incidental Medical Malpractice Injury who is not engaged in the business or occupation of providing any of the services described in (a) or (b) above.

"Insured Contract" means:

- (a) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to the Named Insured or temporarily occupied by the Named Insured with permission of the owner is not an Insured Contract;
- (b) A sidetrack agreement;
- (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- (d) Any other easement agreement;

- (e) An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
- (f) An elevator maintenance agreement; or
- (g) That part of any other contract or agreement pertaining to the Named Insured's business (including an indemnification of a municipality in connection with work performed for a municipality) under which the Named Insured assumes the tort liability of another party to pay for Compensatory Damages because of Bodily Injury or Property Damage to a third person or organization, provided the Bodily Injury or Property Damage is caused, in whole or in part, by the Named Insured or by those acting on the Named Insured's behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph (g) does not include that part of any contract or agreement:

- (i) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (A) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings or specifications; or
 - (B) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- (ii) Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render Professional Services, including those listed in subsection (i) and supervisory, inspection, architectural or engineering services.

"Leased Worker" means a person leased to the Named Insured by a labour leasing firm under an agreement between the Named Insured and the labour leasing firm, to perform duties related to the conduct of the Named Insured's business. **"Leased Worker"** does not include a Temporary Worker.

"Loading or Unloading" means the handling of property:

- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or Automobile;
- (b) While it is in or on an aircraft, watercraft or Automobile; or
- (c) While it is being moved from an aircraft, watercraft or Automobile to the place where it is finally delivered;

but **"Loading or Unloading"** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or Automobile.

"Nuclear Energy Hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

“Nuclear Facility” means:

- (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
- (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
- (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

“Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

“Personal and Advertising Injury” means injury, including consequential Bodily Injury, arising out of one or more of the following offences:

- (a) False arrest, detention or imprisonment;
- (b) Malicious prosecution;
- (c) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- (d) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services;
- (e) Oral or written publication, in any manner, of material that violates a person’s right of privacy;
- (f) The use of another's advertising idea in the Named Insured’s Advertisement; or
- (g) Infringing upon another's copyright, trade dress or slogan in Named Insured’s Advertisement.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. “Waste” includes materials to be recycled, reconditioned or reclaimed.

“Products-Completed Operations Hazard”:

- (a) includes all Bodily Injury and Property Damage, occurring away from premises the Insured owns or rents and arising out of Your Product or Your Work except:

- (i) Products that are still in the Named Insured's physical possession; or
- (ii) Work that has not yet been completed or abandoned. However, "**Your Work**" will be deemed completed at the earliest of the following times:
 - (A) When all of the work called for in the Named Insured's contract has been completed.
 - (B) When all of the work to be done at the job site has been completed if the Named Insured's contract calls for work at more than one job site.
 - (C) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete will be treated as completed.

- (b) does not include Bodily Injury or Property Damage arising out of:
 - (i) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle that is not owned or operated by the Named Insured, and that condition was created by the Loading or Unloading of that vehicle by any Insured; or
 - (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.

"Professional services" shall include but not be limited to:

- (a) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
- (b) Any professional service or treatment conducive to health;
- (c) Professional services of a pharmacist;
- (d) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- (e) The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
- (f) Any cosmetic, body piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
- (g) The preparation or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
- (h) Supervisory, inspection, architectural, design or engineering services;
- (i) Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;

- (j) Any computer programming or re-programming, consulting, advisory or related services; or
- (k) Claim, investigation, adjustment, appraisal, survey or audit services.

“Property Damage” means:

- (a) Physical injury to tangible property, including all resulting loss of use of that property; or
- (b) Loss of use of tangible property that is not physically injured.

“Radioactive Material” means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

“Spores” includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any Fungi.

“Temporary worker” means a person who is furnished to the Named Insured to substitute for a permanent Employee on leave or to meet seasonal or short-term workload conditions.

“Volunteer Worker” means a person who is not the Named Insured’s Employee, and who donates his or her work and acts at the direction of and within the scope of duties determined by the Named Insured, and is not paid a fee, salary or other compensation by the Named Insured or anyone else for their work performed for the Named Insured.

“Your Product”

- (a) means:
 - (i) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (A) The Named Insured;
 - (B) Others trading under the Named Insured’s name; or
 - (C) A person or organization whose business or assets the Named Insured has acquired; and
 - (ii) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- (b) includes
 - (i) warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of Your Product; and
 - (ii) the providing of or failure to provide warnings or instructions.
- (c) does not include vending machines or other property rented to or located for the use of others but not sold.

“Your Work”

- (a) means:
 - (i) Work or operations performed by the Named Insured or on the Named Insured’s behalf; and
 - (ii) Materials, parts or equipment furnished in connection with such work or operations.
- (b) includes
 - (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of Your Work; and
 - (ii) the providing of or failure to provide warnings or instructions.

Endorsement No. 9 To Section I

This endorsement is applicable to the coverages contained in Part D of the Policy

S.P.F. #6

AUTOMOBILE NON-OWNED

Whereas an application has been made by the applicant (hereinafter called the Insured) to the Insurer for a contract of automobile insurance and the said application forms part of this contract of insurance and is as follows:

APPLICATION

Items

1. The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the applicant, used in the applicant's business of a dental office.
2. The applicant's partners, officers, employees and agents as of the date of this application are as follows:

Partners, officers and employees who regularly use automobiles not owned by the applicant in the applicant's business.

All other partners, officers and employees.

All applicant's agents.

3. "Hired Automobiles" — The automobiles hired by the applicant are as follows:

COVERED IF ANY

4. "Automobiles operated under Contract" on behalf of the Applicant are as follows:

COVERED IF ANY

5. This application is made for insurance against the perils mentioned in this item and upon the terms and conditions of the Insurer's corresponding standard policy form and for the following specified limit:

Insuring Agreement

Section A Third Party Liability

Perils

Legal Liability for bodily injury to or death of any person or damage to property of others not in the care, custody or control of the applicant.

Limit

\$ 5,000,000 (exclusive of interest and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property regardless of the number of claims arising from any one accident.

6. State particulars of all accidents or claims arising out of the use or operation in his business of non-owned automobiles by the applicant within the three years preceding this application:

Injury to Persons
As known to Company

Damage to Property of Others
As known to Company

7. All the statements in this application are true and the applicant hereby applies for a contract of automobile insurance to be based on the truth of said statements.

8. Where, a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein: or (b) the Insured contravenes a term of the contract or commits a fraud; or (c) the Insured willfully makes a false statement in respect of a claim under the contract, a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.

INSURING AGREEMENT

Now, therefore, in consideration of the payment of the premium specified and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated.

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

Provided always the Insurer shall not be liable under this Policy;

- a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- b) *for any liability imposed upon any person insured by this Policy:
 - (1) by any workmen's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- c) for any liability assumed by any person insured by this Policy voluntarily under any contract or agreement other than written contract(s) or agreement(s); or

- d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- e) for any amount in excess of the limit stated in Item 5 of the application, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

* Not applicable in the Province of Ontario.

ADDITIONAL AGREEMENTS OF INSURER

Where indemnity is provided by this Policy, the Insurer further agrees:

- 1) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- 2) to defend in the name and on behalf of any person insured by this Policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- 3) to pay all costs taxed against any person insured by this Policy in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and
- 4) in case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- 5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Item 5 of the application; and
- 6) not set up any defense to a claim that might not be set up if the Policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this section, every person insured by this Policy

- a) by the acceptance of this Policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSURED

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives

a) in the business of the Insured stated in Item 1 of the application, any automobile not owned in whole or in part by or licensed in the name of

(i) the Insured, or

(ii) such additional insured person, or

(iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or

b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part by or licensed in the name of such additional insured person.

2. TERRITORY

This Policy applies only to the use or operation of automobile within Canada or the United States of America or upon a vessel plying between ports of those countries.

3. HIRED AUTOMOBILES DEFINED

The term "Hired Automobiles" as used in this Policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business as a dental office but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

The term "Automobile Operated under Contract" as used in this Policy shall mean automobiles operated in the business of the Insured as a dental office where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. TWO OR MORE AUTOMOBILES

When two or more automobiles are insured hereunder the terms of this Policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects limits of liability under Section A.

STATUTORY CONDITIONS

(YUKON TERRITORY, NUNAVUT, NORTHWEST TERRITORIES, ALBERTA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND AND LABRADOR)

(For use with S.P.F. Nos. 1, 2, 4 and 6)

In these statutory conditions, unless the context otherwise requires, the word “Insured” means a person insured by this contract whether named or not.

NOTE: All of the Statutory Conditions contain the above wording. However,

in all of the Provinces and Territories using these standard, approved forms, only Statutory Conditions 1, 8 and 9 are made applicable to accident benefits insurance and uninsured motorist insurance where it is provided by the contract.

in the Northwest Territories the definition of “insured person” must be read as containing in addition the words “and includes any person to whom benefits may be payable under the accident benefits set out in the Schedule to the Insurance Ordinance”.

Material Change in Risk

1. 1) The Insured named in this contract shall promptly notify the Insurer or its local agent in writing of any change in the risk material to the contract and within the Insured’s knowledge.
- 2) Without restricting the generality of the foregoing, the words “change in the risk material to the contract” include:
 - a) any change in the insurable interest of the Insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the Bankruptcy Act (Canada):

and in respect of insurance against loss of or damage to the automobile.
 - b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;
 - c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

NOTE: In Prince Edward Island Statutory Condition 1, sub-conditions 2 and 3 are identical with the above quoted Statutory Condition relating to material change in risk.

Prohibited Use by Insured

2. 1) The Insured shall not drive or operate the automobile,
 - a) unless the Insured is for the time being either authorized by law or qualified to drive or operate the automobile; or

- b) while the Insured's license to drive or operate an automobile is suspended or while the Insured's right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
- c) while the Insured is under the age of sixteen years or under such other age as is prescribed by the law of the province in which he resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to him; or
- d) for any illicit or prohibited trade or transportation; or
- e) in any race or speed test.

Prohibited Use by Others

- 2) The Insured shall not permit, suffer, allow or connive at the use of the automobile.
 - a) by any person,
 - (i) unless that person is for the time being either authorized by law or qualified to drive or operate the automobile; or
 - (ii) while that person is under the age of sixteen years or under such other age as is prescribed by the law of the province in which the person resides at the time this contract is made as being the minimum age at which a license or permit to drive an automobile may be issued to the person; or
 - b) by any person who is a member of the household of the Insured while that person's license to drive or operate an automobile is suspended or while his right to obtain a license is suspended or while he is prohibited under order of any court from driving or operating an automobile; or
 - c) for any illicit or prohibited trade or transportation; or
 - d) in any race or speed test.

Requirements Where Loss or Damage to Persons or Property

- 3.
 - 1) The Insured shall,
 - a) promptly give to the Insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the accident;
 - b) verify by statutory declaration, if required by the Insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
 - c) forward immediately to the Insurer every letter, document, advice or writ received by the Insured from or on behalf of the claimant.

- 2) The Insured shall not,
 - a) voluntarily assume any liability or settle any claim except at the Insured's own cost; or
 - b) interfere in any negotiations for settlement or in any legal proceeding,
- 3) The Insured shall, whenever requested by the Insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the Insurer, except in a pecuniary way, in the defense of any action or proceeding or in the prosecution of any appeal.

Requirements Where Loss or Damage to Automobile

4. 1) Where loss of or damage to the automobile occurs, the Insured shall, if the loss or damage is covered by this contract,
 - a) promptly give notice thereof in writing to the Insurer with the fullest information obtainable at the time;
 - b) at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and
 - c) deliver to the Insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of the Insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other, insurance, whether valid or not, covering the automobile and that the loss or damage do not occur through any willful act or neglect, procurement, means or connivance of the Insured.
- 2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under sub condition (1) of this condition is not recoverable under this contract.
- 3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,
 - a) without the written consent of the Insurer; or
 - b) until the Insurer has had a reasonable time to make the examination for which provision is made in statutory condition 5.

Examination of Insured

- 4) The Insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the Insurer or its representative all documents in the Insured's possession or control that relate to the matters in question, and the Insured shall permit extracts and copies thereof to be made.

Insurer Liable for Cash Value of Automobile

- 5) The Insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the

amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

Repair or Replacement

6) Except where an appraisal has been made, the Insurer, instead of making payment, may, within a reasonable time, repair, rebuild or replace the property damaged or lost, with other of like kind and quality if, within seven days after the receipt of the proof of loss, it gives written notice of its intention to do so.

No Abandonment; Salvage

7) There shall be no abandonment of the automobile to the Insurer without the Insurer's consent. If the Insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the Insurer.

In Case of Disagreement

8) In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, those questions shall be determined by the appraisal as provided under The Insurance Act (in Newfoundland and Labrador, The Insurance Contracts Act) before there can be recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefrom is made in writing and until after proof of loss has been delivered.

Inspection of Automobile

5. The Insured shall permit the Insurer at all reasonable times to inspect the automobile and its equipment.

Time and Manner of Payment of Insurance Money

6. 1) The Insurer shall pay the insurance money for which it is liable under this contract within sixty days after the proof of loss has been received by it or, where an appraisal is made under sub condition (8) of statutory condition 4, within fifteen days after the award is rendered by the appraisers.

When Action May be Brought

2) The Insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of statutory conditions 3 and 4 are complied with or until the amount of the loss has been ascertained as there in provided or by a judgement against the Insured after trial of the issue or by agreement between the parties with the written consent of the Insurer.

Limitation of Actions

3) Every action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or property shall be commenced within one year next after the cause of action arose and not afterwards.

NOTE: In Yukon Territory, Nunavut, Northwest Territories and New Brunswick, the one year limitation period in sub-condition (3) should read “2 years”.

In the case of Nova Scotia, Newfoundland and Labrador, and Prince Edward Island sub-condition (3) reads as follows:

“(3) Every action or proceeding under this contract against the Insurer in respect of a claim for indemnification for liability of the Insured for loss or damage to property of another person or for personal injury to or death of another person shall be commenced within two years after the liability of the Insured is established by a court of competent jurisdiction and not afterwards. Every other action or proceeding against the Insurer under this contract in respect of loss or damage to the automobile shall be commenced within two years from the time the loss or damage was sustained and not afterwards.”

Who May Give Notice and Proofs of Claim

7. Notice of claim may be given and proofs of claim may be made by the agent of the Insured named in this contract in case of absence or inability of the Insured to give the notice or make the proof, such absence or inability being satisfactorily accounted for or, in the like case or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

Termination

8. (1) A Policy of Insurance may be cancelled at any time at the request of the Insured named thereon and Insurer shall upon surrender of the Policy of Insurance, refund the excess of paid premium above the earned premium computed in accordance with the customary pro rata table and procedure for the time the Policy has been in force.

(2) A Policy of Insurance may be cancelled at any time by the Insurer giving to the Insured named thereon 30 days' notice of cancellation by registered mail or personally delivered, except that in the event of non-payment of premium, fraud or misrepresentation by the Insured, cancellation may be affected by the Insurer giving to the Insured 15 days' notice of cancellation by registered mail or 5 days' written notice of cancellation personally delivered.

(3) The notice period for cancellation by registered mail commences on the day following the receipt of the registered letter at the post office to which it is addressed.

Notice

9. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression “registered” means registered in or outside Canada.

NOTE: In the Northwest Territories, the reference is to Territories and in the Yukon Territory and Nunavut, the reference is to Territory rather than the Province.

Endorsement No. 10 to Section I

S.E.F. No. 94

LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT
(for attachment only to a Non-owned Policy S.P.F. No. 6)

It is agreed that the Policy to which this endorsement is attached is extended as follows:

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILE

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for loss or damage arising from the care, custody or control of "Hired Automobiles" as defined in such policy and resulting from loss or damage thereto, caused solely by:

Perils:	From all perils
Limit:	\$ 50,000 (exclusive of interest and costs)
Deductible:	\$1,000 any one accident

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under any subsection hereof except loss or damage caused by fire or lightning or theft of the entire automobile covered by such subsection shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible stated above.

TWO OR MORE AUTOMOBILES

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the limit of liability, including the deductible provision, if any, under this Insuring Agreement.

EXCLUSIONS

The Insurer shall not be liable

- 1) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- 2) under any subsection hereof for loss or damage
 - a) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; or
 - b) to any automobile while being used without the consent of the owner thereof; or
 - c) caused directly or indirectly by contamination by radioactive material; or
 - d) to contents of trailers or to rugs or robes; or

- e) to tapes and equipment for use with a tape recorder when detached therefrom; or
- f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
- g) for any amount in excess of the limit stated in the applicable subsection hereof and expenditures provided for in the Additional Agreements of the Policy to which this endorsement is attached;

ADDITIONAL AGREEMENT

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.

Endorsement No. 11 to Section I

S.E.F. No. 97

OPERATION BY INDIVIDUAL NAMED INSURED ENDORSEMENT

(for attachment only to a Non-owned Policy S.P.F. No. 6)

In consideration of the premium fee which this Policy is issued it is agreed that exclusion (a) of the Insuring Agreement of the Policy to which this endorsement is attached is deleted, but only in respect of the use or operation of automobiles in the business of the Insured as a dental office.

If endorsement S.E.F. No. 94 Legal Liability for Damage to Hired Automobiles Endorsement is attached to the Policy, exclusion (l) of S.E.F. No. 94 is deleted, but only in respect of the use or operation of automobiles in the business of the Insured as a dental office.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.

Q.P.F. No. 6
QUEBEC AUTOMOBILE INSURANCE POLICY
(NON-OWNED FORM)

Whereas an application has been made by the applicant (hereinafter called the Insured) to the Insurer for a contract of automobile insurance and the said application forms part of this contract of insurance and is as follows:

APPLICATION

Items

1. The automobiles in respect of which insurance is to be provided are those not owned in whole or in part by, nor licensed in the name of the applicant, used in the applicant's business of a dental office.

2. The applicant's partners, officers, employees and agents as of the date of this application are as follows:

Partners, officers and employees who regularly use automobiles not owned by the applicant in the applicant's business.

All other partners, officers and employees.

All applicant's agents.

3. "Hired Automobiles" — The automobiles hired by the applicant are as follows:

COVERED IF ANY

4. "Automobiles operated under Contract" on behalf of the Applicant are as follows:

COVERED IF ANY

5. This application is made for insurance against the perils mentioned in this item and upon the terms and conditions of the Insurer's corresponding standard policy form and for the following specified limit:

Insuring Agreement

Section A Third Party Liability.

Perils

Legal Liability for bodily injury to or death of any person or damage to property of others not in the care, custody or control of the applicant.

Limit

\$ 5,000,000 (exclusive of interest and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property regardless of the number of claims arising from any one accident.

6. State particulars of all accident's or claims arising out of the use or operation in his business of non-owned automobiles by the applicant within the three years preceding this application:

**Injury to Persons
As known to Company**

**Damage to Property of Others
As known to Company**

7. All the statements in this application are true and the applicant hereby applies for a contract of automobile insurance to be based on the truth of said statements.

8. Where, a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the Insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein: or (b) the Insured contravenes a term of the contract or commits a fraud; or (c) the Insured willfully makes a false statement in respect of a claim under the contract, a claim by the Insured is invalid and the right of the Insured to recover indemnity is forfeited.

INSURING AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF the payment of the premium specified and of the statements contained in the application and subject to the limits, terms and conditions, provisions, definitions and exclusions herein stated.

SECTION A - THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured, his succession or his administrators against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned (in whole or in part) by or registered in the name of the Insured, and resulting from

BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED:

Provided always the Insurer shall not be liable under this Policy:

- (1) Except where the Automobile Insurance Act does not apply, for bodily injury or death covered under the said Act, the Workmen's Compensation Act or the Crime Victims Compensation Act; nor
- (2) For any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; nor
- (3) For any liability imposed upon any person insured by this Policy by any workmen's compensation law, nor
- (4) For loss or damage sustained by the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured, except as provided under a Direct Compensation Agreement established in accordance with the aforementioned Automobile Insurance Act; nor
- (5) For any liability assumed voluntarily by any person insured by this Policy under any contract or agreement other than written contract(s) or agreement(s); nor

- (6) For loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person;
- (7) For any amount in excess of the limit stated on the "Declaration Page" for Non-Owned Automobile, and expenditures provided for in the Additional Agreements of this Policy.
- (8) For any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a nuclear energy hazard and in excess of the compulsory amount of insurance prescribed by the aforementioned Automobile Insurance Act.

See also General Provisions, Definitions, Exclusions and Conditions of this Policy.

ADDITIONAL AGREEMENTS

Where indemnity is provided by this section the Insurer further agrees:

- (1) The indemnity shall be applied first to the protection of the Named Insured and the remainder, if any, to the protection of the other persons entitled to indemnity under the terms of this section; and
- (2) Immediately upon receipt of notice of loss or damage caused to persons or property, to serve any person insured by this section by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- (3) To defend in the name and on behalf of any person insured by this section and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (4) To pay costs and expenses of suits against the Insured, including those of the defense, in any civil action defended by the Insurer and any interest accruing as from the date of the action upon that part of the judgement which is within the limits of the Insurer's liability; and
- (5) In case the injury be to a person, to reimburse any person insured by this section for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (6) That the Insurer shall be liable up to the minimum limit(s) prescribed by any Automobile Insurance legislation applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that limit(s) is higher than the limit stated on the "Declaration Page" for Non-Owned Automobile; and
- (7) Not to set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada or in the State of the United States of America in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this section every person insured:

- a) constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada or in any State of the United States of America in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this section.

GENERAL PROVISIONS AND DEFINITIONS

1. ADDITIONAL INSURED

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured, who, with the consent of the owner of the automobile involved: a) and in the business of the Insured stated on "Declaration Page", personally drives any automobile not owned in whole or in part by or registered in the name of (1) the Insured, or (2) such additional insured person, or (3) any person in the household(s) of which the Insured or such additional insured person is a member; b) any automobile rented or hired in the name of the Insured and not owned in whole or in part by or registered in the name of such partner, officer or employee.

2. TERRITORY

Unless extended by endorsement, insurance provided by this Policy applies only within Canada, the United States of America or upon a vessel plying between ports of those countries.

3. HIRED AUTOMOBILES DEFINED

The term "Hired Automobiles" as used in this Policy means (a) automobiles hired or leased from others with drivers or (b) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days, used under the control of the Insured in the business as a dental office but shall not include any automobile owned in whole or in part by or registered the name of the Insured or any partner, officer or employee of the Insured.

4. AUTOMOBILE OPERATED UNDER CONTRACT DEFINED

The term "Automobiles Operated under Contract" as used in this Policy shall mean automobiles operated in the business of the Insured stated on the "Declaration Page" where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned whole or in part by or registered in the name of the Insured or any partner, officer or employee of the Insured.

5. TWO OR MORE AUTOMOBILES

When two or more automobiles are insured hereunder the terms of this Policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects limits of liability under Section A.

6. NUCLEAR ENERGY DEFINED

In this Policy, unless otherwise indicated by the context, “nuclear energy hazard” means the radioactive, toxic, explosive or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada).

CONDITIONS

1. MISREPRESENTATION

Any misrepresentation or deceitful concealment on the part of the Insured in connection with facts known to it and likely to materially influence a reasonable Insurer in the setting of the premium and the appraisal of the risk or the decision to cover it, nullifies the contract at the instance of the Insurer, even for losses not connected with the risks so misrepresented.

In the absence of bad faith however, the Insurer is liable for the risk in the proportion that the premium collected bears to that which it should have collected, except where it is established that it would not have covered the risk if it had known the true facts.

2. MATERIAL CHANGE IN RISK

The Insured must promptly advise the Insurer of any increase in the risk specified in the contract or that resulting from events within his control and which is likely to materially influence a reasonable insurer in the setting of the rate of premium, the appraisal of the risk or the decision to continue to insure it. The Insurer may then cancel the contract or propose in writing a new rate of premium which the Insured must accept and pay within thirty (30) days of its receipt, failing which the Policy ceases to be in force.

Failure on the part of the Insured to meet his obligation under the preceding sub-paragraph entails the same penalties as those provided in Condition 1 in respect of misrepresentations.

3. BREACH OF WARRANTY

A breach of warranty aggravating the risk suspends the coverage. The suspension ceases when the Insurer has acquiesced, or the breach has been remedied.

4. PROHIBITED USE

(1) The Insured shall not drive or operate the automobile nor permit, suffer, allow or connive at the use of the automobile by others:

Unauthorized Driver

a) unless the driver is for the time being either authorized by law or qualified to drive or operate the automobile, or while he is under the age of sixteen years or under such other age as is prescribed by law; nor

Prohibited Trade

b) for any illicit or prohibited trade or transportation; nor

Racing

- c) in any race or speed test.

5. INSPECTION OF AUTOMOBILE

The Insurer shall be permitted at all reasonable times to inspect the automobile and its equipment.

6. IN THE EVENT OF ACCIDENT OR CLAIM

(a) Loss or Damage to third parties

(1) The Insured shall promptly give to the Insurer notice, with all available particulars, of any accident involving loss or damage to persons or property, and of any claim made on account of accident; shall verify by affidavit or statutory declaration, if required by the Insurer, that the claim arises out of the operation or use of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured by this Policy, and shall forward immediately to the Insurer every writ, letter, document or advice received by him from or on behalf of the claimant.

(2) The Insured shall not voluntarily assume any liability or settle any claim except at his own cost. The Insured shall not interfere in any negotiations for settlement or in any legal proceeding, but whenever requested by the Insurer, shall aid in securing information and evidence and the attendance of any witness, and shall cooperate with the Insurer, except in a pecuniary way, in the defense of any action or proceeding or in the prosecution of any appeal.

(b) Loss or Damage to the automobile

(1) Upon the occurrence of loss of or damage to the automobile, the Insured or any interested person shall, if the loss or damage is covered by this Policy:

(i) forthwith give notice thereof to the Insurer, with fullest information obtainable at the time, and shall at the expense of the Insurer, and as far as reasonably possible, protect the automobile from further loss or damage, and any such further loss or damage accruing directly or indirectly from a failure to protect shall not be recoverable hereunder. No repairs shall be undertaken or any physical evidence of the loss or damage removed without the written consent of the Insurer, except such repairs as are immediately necessary for the protection of the automobile from further loss or damage, or until the Insurer has had a reasonable time to make the examination provided for in condition 3.

(ii) deliver to the Insurer within ninety days of the date of the loss or damage a statutory declaration stating, so far as the Insured knows or believes, the place, time, cause and amount of the loss or damage, the interest of the Insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile, and that the loss or damage did not occur through any willful act or neglect, procurement, means or connivance of the Insured.

(2) The Insured shall submit to examination under oath, and shall produce for examination, at such reasonable place as is designated by the Insurer or its representative, all documents, in

his possession or control which relate to the matters in question, and shall permit extracts and copies thereof to be made.

7. MANNER OF PAYMENT - LOSS OR DAMAGE TO THE AUTOMOBILE

The Insurer shall not be liable beyond the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated with proper deduction for depreciation, however caused, and shall in no event exceed what it would cost to repair or replace the automobile or any part thereof with material of like kind and quality provided that in the event of any part of the automobile being obsolete and out of stock, the liability of the Insurer in respect thereof shall be limited to the value of such part at the time of loss or damage not exceeding the maker's last list price.

In the event of a total or constructive total loss, the Insurer agrees, at the option of the Insured and subject to supporting evidence, to cover reasonable expenses incurred to restore the automobile to the same condition as it was before the loss.

Except where an appraisal has been had, the Insurer, instead of making payment may, within a reasonable time, repair, rebuild or replace the property damaged or lost with other of like kind and quality, giving written notice of its intention so to do within seven days after the receipt of the proof of loss.

In all cases, there can be no abandonment of the property damaged or lost to the Insurer without its consent; in the event of the Insurer exercising such option, the salvage, if any, shall revert to it.

8. IN CASE OF DISAGREEMENT

In the event of disagreement as to the nature and extent of the repairs and replacements required, or as to their adequacy, if effected, or as to the amount payable in respect of any loss or damage, such questions shall be determined by appraisal before recovery can be had under this Policy, whether the right to recover on this Policy is disputed or not, and independently of all other questions.

The Insured and the Insurer shall each select one appraiser, and the two so chosen shall then select a disinterested umpire. Thereafter the two appraisers together shall estimate or appraise the loss or damage, stating separately sound value and damage, or determine the adequacy of such repairs or replacements, and, failing to agree, shall submit their differences to the umpire.

In case either party fails to name an appraiser within seven clear days after being served with written notice so to do, or in case the appraisers fail to agree upon an umpire within fifteen days after their appointment, or in case an appraiser or umpire refuses to act or is incapable of acting, or dies, a Judge of a Court having jurisdiction in the county or district in which the appraisal is to be made may appoint such appraiser or umpire on the application of the Insured or of the Insurer. The award shall be made in writing by the two appraisers, or by one appraiser and the umpire. For the surplus, the procedure provided in sections 940 to 952 of the Quebec Code of Civil Procedure shall apply *mutatis mutandis*.

Each party shall pay the appraiser selected by him, and shall bear equally the other expenses of the appraisal and of the umpire.

9. WAIVER

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Policy by any act relating the appraisal or to the delivery and completion of proofs of loss, or to the investigation or adjustment of the claim.

10. TIME OF PAYMENT OF INSURANCE MONEY

Claims under section B shall be paid within 60 days after receipt of notice of loss or of information or proof of loss required by the Insurer or, where an appraisal is held under Condition 8, within fifteen days after award is accepted by the Insured.

11. WHEN ACTION MAY BE BROUGHT

The Insured may not bring an action to recover the amount of a claim under this Policy unless the requirements of condition 6 have been complied with nor until the amount of the loss has been ascertained as therein provided, or by agreement between the parties with the written consent of the Insurer.

12. LIMITATION OF ACTIONS

Every action or proceeding against the Insurer under the Policy in respect to loss of or damage to the automobile shall be commenced within three years from the time the right of action arises and in respect loss or damage to persons or property within one year next after the issue of the Insured's liability is decided by judgement or agreement, subject to limitation of action imposed by law, and not afterwards.

13. WHO MAY GIVE NOTICE AND PROOFS OF CLAIM

Notice of claim may be given and proofs of claim may be made by the agent of the Insured named in this Policy in case of absence or inability of such Insured to give the notice or make the proof, such absence or inability being satisfactorily accounted for, or in the like case, or if such Insured refuses to do so, by a person to whom any part of the Insurance money is payable.

14. FRAUD OR FALSE STATEMENTS

Any deceitful representation invalidates the rights of the person making it to any indemnity related to the risk so misrepresented.

15. TRANSFER OF CLAIM

Upon payment of the loss or on assumption of liability by the Insurer therefor, the Insured shall to the extent of such payment made or liability assumed, transfer to the Insurer all rights of recovery against any other party, except any member of the Insured's household, and shall execute all documents properly required by the Insurer to secure to it such rights.

16. OTHER INSURANCE

(1) Subject to subsections (3) and (4) of this Condition, if an Insured under this Policy has or places an additional or other valid insurance of his interest in the subject matter of the Policy, or any part thereof, the Insurer shall be liable only for its rateable proportion of any loss or damage.

Rateable Proportion

(2) “Rateable proportion” means (a) if there are two insurers liable and each has the same policy limits, each of the insurers shall be liable to share equally, and (b) if there are two insurers liable with different policy limits, the insurers shall be liable to share equally up to the limit of the smaller policy limit, and (c) if there are more than two insurers liable, (a) and (b) shall apply mutatis mutandis.

Owner’s Policy

(3) Insurance under a contract evidenced by a valid owner’s policy is, in respect of liability arising from or occurring in connection with the ownership, use or operation of an automobile owned by the Insured name in the contract and within the description or definition thereof in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only.

Garage Owner’s Policy

(4) Notwithstanding subsection (3) of this Condition insurance under a valid Third Party Liability Policy, not describing the specific automobile(s) insured, and issued to the owner of a business engaged in selling, repairing, maintaining, storing, servicing or parking automobiles, shall in respect to non-owned or customer’s automobiles while being used, operated or worked upon in the course of such business, be a first loss insurance and insurance attaching under any other valid motor vehicle policy shall be excess insurance only.

Endorsement No. 12 Section I

Q.E.F. No 94

LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES ENDORSEMENT
(For attachment only to a Quebec Automobile Insurance Policy Non-owned Form - Q.P.F. No. 6)

It is agreed that the following section is added to this Policy.

INSURING AGREEMENT

SECTION B - LEGAL LIABILITY FOR DAMAGE TO HIRED AUTOMOBILES

The Insurer agrees to indemnify the Insured, his succession or his administrators against the liability imposed by law upon the Insured or assumed by him under any contract or agreement for direct and accidental loss of or damage to "Hired Automobiles" while in his care, custody or control, caused solely by any peril not specifically excluded herein.

Perils:	From all perils
Limit:	\$50,000 (exclusive of interest and costs)
Deductible:	\$ 1000 any one accident

DEDUCTIBLE CLAUSE

Each occurrence causing loss or damage covered under Section B except loss or damage caused by fire or lightning, shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible stated above.

EXCLUSIONS

The Insurer shall not be liable for loss or damage:

- (a) to any automobile while personally driven by the Insured if the Insured is an individual; nor
- (b) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing, or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered by such subsection or is caused by fire, theft or malicious mischief covered by such subsection; nor
- (c) to any automobile while being used without the consent of the owner thereof; nor
- (d) to contents of trailers; nor
- (e) to tapes and equipment for use with a tape player or recorder when such tapes or equipment are detached therefrom; nor
- (f) caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by operation of armed forces while engaged in hostilities, whether war be declared or not; nor

(g) for any amount in excess of the limit stated on the “Declaration Page” for this endorsement (exclusive of interest, expenses and costs) and the Additional Agreement hereunder.

ADDITIONAL AGREEMENT

Where loss or damage arises from a peril insured against hereunder, the Insurer further agrees to pay general average, salvage and fire department charges, and customs duties of Canada or of the United States of America, for which the Insured is legally liable.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions and definitions of the Policy shall have full force and effect.

Endorsement No. 13 to Section I

Q.E.F. No. 97

OPERATION BY INDIVIDUAL NAMED INSURED ENDORSEMENT

(For attachment only to a Quebec Automobile Insurance Policy Non-owned Form - Q.P.F. No. 6)

In consideration of the premium fee which this Policy is issued it is agreed that exclusion (2) of the Insuring Agreement of the Policy to which this endorsement is attached is deleted, but only in respect of the use or operation of automobiles in the business of the Insured as a dental office.

If endorsement Q.E.F. No. 94 Legal Liability for Damage to Third Automobiles Endorsement is attached to the Policy, exclusion (a) of Q.E.F. No. 94 is deleted, but only in respect of the use or operation of automobiles in the business of the Insured as a dental office.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.

Endorsement No. 14 To Section I

This endorsement is applicable to the coverages contained in Part A, B and D of the Policy

SINGLE DEDUCTIBLE PER OCCURRENCE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided by the insurance policy it attaches to.

Notwithstanding any other provision of this Policy, and solely with respect to Section I, Parts A, B, and D of this Policy, if such coverage sections are subject to a deductible, as described or defined in each respective coverage section, and if one or more aforementioned coverage section responds to a single loss occurrence (as defined or described in each respective coverage section), whereby more than one deductible is to apply, this Policy will nonetheless apply just the single largest deductible of all applicable deductibles.

Endorsement No. 15 To Section I

This endorsement is applicable to the coverages contained in Part A, B, C and D of the Policy

TRADE AND ECONOMIC SANCTIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

TRIPLEGUARD INSURANCE – SECTION 1

PART E- GENERAL POLICY CONDITIONS

including Statutory Conditions, Exclusions and Standard Mortgage Clause

(Applicable to Parts A, B, C and D)

This Policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Policy together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of a contract shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy, or the renewal thereof, which is stated as being replaced.

POLICY CONDITIONS (Provinces other than Quebec)

These Policy Conditions and Statutory Conditions apply to all coverages and all perils (including fire) insured by this Policy.

Misrepresentation

1 If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of others

- 2 The insurer is not liable for loss or damage to property owned by a person other than the insured unless
- (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change of interest

3 The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

Material change in risk

- 4 (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
- (a) material to the risk, and
 - (b) within the control and knowledge of the insured.

(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.

(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may

(a) terminate the contract in accordance with Statutory Condition 5, or

(b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2) applies in respect of the unearned portion of the premium.

Termination of insurance

5 (1) The contract may be terminated

(a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered in the event of nonpayment, or 30 days' notice of termination by registered mail or personal delivery for any other reason,

(b) by the insured at any time on request.

(2) If the contract is terminated by the insurer,

(a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and

(b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

(4) The 15 day and 30 day periods referred to in subparagraph (1)(a) of this condition start to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements after loss

6 (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

- (a) immediately give notice in writing to the insurer,
- (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
- (a) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (b) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

7 Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

Who may give notice and proof

8 Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (i) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

- 9
- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
 - (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, control, abandonment

- 10 After loss or damage to insured property, the insurer has
- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In case of disagreement

- 11
- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When loss payable

12 Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

Repair or replacement

- 13 (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

- 14 (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

Outstanding premium

- 15 We may deduct any outstanding premium from any loss payable.

GENERAL CONDITIONS

(Province of Quebec)

This Policy is subject to the Civil Code of Quebec.

Preference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the Policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the Policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest as null.

2.2 Changes (Article 2405)

The terms of this Policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This Policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this Policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, give the Insured reports on the conditions found and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

All limits of insurance, premiums and other amounts in this Policy are in Canadian currency.

3. **LOSSES**

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice. In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates. However, if the occurrence of the event insured against entails the loss of both movable and immovable property, or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation (Article 2504)

The Insured shall cooperate with the Insurer in the processing of all claims.

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost.

3.8 Right of action (Article 2502)

(Applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

4. **COMPENSATION AND SETTLEMENT**

4.1 Basis of settlement (Articles 2490, 2491 and 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity, in the event of partial loss.

4.2 Pair and set

(Applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

4.3 Parts

(Applicable to property insurance only)

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at this request, all relevant information and vouchers.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(Applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the Policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

4.8 Action against Insurer

The Insured may not bring any action to recover the amount of a claim under this Policy unless the requirements of this Policy have been complied with nor until the amount of the loss has been ascertained by arbitration or by judgment against the Insured or by agreement between the parties with the written consent of the Insurer.

4.9 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this Policy shall be commenced within three years from the date the right of action has arisen.

4.10 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this Policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. **OTHER INSURANCE**

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specified insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this Policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other

insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the insured's liability under this Policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this Policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

- Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this Policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. CANCELLATION (Articles 2477 and 2479)

This Policy may be cancelled at any time:

- (a) By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named Insured. The termination takes effect:
 - (i) if the policy is cancelled for non-payment of premium, 15 days after notice is received by the Insured at the Insured's last known address;
 - (ii) if the policy is cancelled for any other reason, 30 days after notice is received by the Insured at the Insured's last known address.

Termination takes effect under section (b)(i) 15 days following receipt of such notice by the Insured at his last known address, and under section (b)(ii) 30 days following receipt of such notice by the Insured at his last known address, and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) and (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

Named Insureds.

In this Condition, the words "Premium actually paid" mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

STATUTORY CONDITIONS, GENERAL CONDITIONS AND OTHER CONDITIONS

Please refer to the Statutory Conditions, General Conditions and Other Conditions applicable to your Province(s)/Territory(ies).

1. Statutory Conditions

All Provinces/Territories except:

- a. Alberta, British Columbia and Quebec.
- b. Conditions 5. (Termination) and 15. (Notice) do not apply to Ontario, please see Other Conditions for the Termination and Notice conditions that apply in Ontario.
- c. Condition 14. (Action) does not apply to Manitoba, please see Other Conditions for the Action condition that applies in Manitoba.

Alberta (see below)

British Columbia (see below)

2. General Conditions

Quebec (see below)

3. Other Conditions (see below)

Statutory Conditions

(For all provinces except Alberta, British Columbia and Quebec, except that paragraph 14 does not apply to Saskatchewan).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

Where a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate a circumstance which is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of Others

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured is stated in the contract.

3. Change of Interest

The Insurer shall be liable for loss or damage occurring after an authorized assignment under the *Bankruptcy Act* (Canada) or change of title by succession, by operation of law or by death.

4. Material Change

A change material to the risk and within the control and knowledge of the Insured shall void the contract as the part affected by it, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured shall, within 15 days of the receipt of the notice pay to the Insurer an additional premium; and in default of the payment the contract shall no longer be in force and the Insurer shall return the unearned portion of the premium paid.

5. Termination

- (1) This contract may be terminated.
 - (a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or five days written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer,
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but, in no event shall the proportional premium for the expired time be considered to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be considered to be less than a minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or by cheque payable at par.
- (5) The 15 days mentioned in clause (1) (a) of this condition start to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Requirements After Loss

- (1) Upon the occurrence of a loss of or damage to the insured property, the Insured shall, where the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,

- (a) forthwith give notice of the loss or damage in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and where caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through a wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss:
 - (c) where required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) where required, and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses 1 (c) and (d) of this condition shall not be considered proof of loss within the meaning of conditions 12 and 13.

7. Fraud

A fraud or a wilfully false statement in a statutory declaration in relation to the above particulars, shall vitiate the claim of the person making the declaration.

8. Who May Give Notice and Proof

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or where the Insured refuses to do so, by a person to whom a part of the insurance money is payable.

9. Salvage

- (1) The Insured, in the event of any loss or damage to the property insured under the contract, shall take all reasonable steps to prevent further damage to the property so damaged and to prevent damage to other property insured under the contract including, where necessary, its removal to prevent damage or further damage to the property.

- (2) The Insurer shall contribute proportionally towards reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (1) of this condition according to the respective interest of the parties.

10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer shall not be entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. Appraisal

In the event of a disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act*, or the *Insurance Contracts Act* in the case of Newfoundland and Labrador, before there can be a recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for an appraisal is made in writing and until after proof of loss has been delivered.

12. When Loss Payable

The loss shall be payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

13. Replacement

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within 30 days after receipt of the proof of loss.
- (2) In that event the Insurer shall start to repair, rebuild, or replace the property within 45 days after receipt of the proofs of loss, and shall after that time proceed with all due diligence to the completion of the property.

14. Action

Every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract is absolutely barred unless commenced within 1 year next after the loss or damage occurs.

15. Notice

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or her or by registered mail addressed to him or her at his or her latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

STATUTORY CONDITIONS

(APPLICABLE IN THE PROVINCE OF ALBERTA). SUBJECT TO CERTAIN EXCEPTIONS SET OUT IN THE INSURANCE ACT AND REGULATIONS THEREUNDER, THE STATUTORY CONDITIONS ARE DEEMED TO BE PART OF EVERY CONTRACT OF INSURANCE IN FORCE IN THE PROVINCE OF ALBERTA. (STATUTORY CONDITIONS 1 AND 6 TO 13 APPLY ONLY TO CONTRACTS THAT INCLUDE INSURANCE AGAINST LOSS OR DAMAGE TO PROPERTY).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of Others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of Interest

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

4. Material Change in Risk

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or

- (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

5. Termination of Insurance

- (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

6. Requirements After Loss

- (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,

- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
- (iv) stating the amount of other insurances and the names of other insurers,
- (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
- (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
- (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

8. Who May Give Notice and Proof

Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

- (a) by the agent of the insured if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for,
- or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

9. Salvage

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, Control, Abandonment

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In Case of Disagreement

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act* whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

12. When Loss Payable

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

13. Repair or Replacement

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

Statutory Conditions

(APPLICABLE IN THE PROVINCE OF BRITISH COLUMBIA). SUBJECT TO CERTAIN EXCEPTIONS SET OUT IN THE INSURANCE ACT AND REGULATIONS THEREUNDER, THE STATUTORY CONDITIONS ARE DEEMED TO BE PART OF EVERY CONTRACT OF INSURANCE IN FORCE IN THE PROVINCE OF BRITISH COLUMBIA. (STATUTORY CONDITIONS 1 AND 6 TO 13 APPLY ONLY TO CONTRACTS THAT INCLUDE INSURANCE AGAINST LOSS OR DAMAGE TO PROPERTY).

These Statutory Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these Statutory Conditions, the conditions more favourable to the insured will prevail.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of others

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

3. Change of interest

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

4. Material change in risk

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

5. Termination of insurance

- (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

6. Requirements after loss

- (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (vii) stating the place where the insured property was at the time of loss,
 - (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

7. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

8. Who may give notice and proof

Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

9. Salvage

- (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

10. Entry, control, abandonment

After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
 - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
 - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

11. In case of disagreement

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

12. When loss payable

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

13. Repair or replacement

- (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

14. Notice

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

15. Action

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

General Conditions

(This Policy is subject to the Civil Code of Quebec)

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

These General Conditions apply to all riders, endorsements, declarations pages and other policy forms attaching to this insurance policy; however, if any of the conditions of any such riders, endorsements, declarations and other policy forms attaching to this insurance policy are more favourable to the insured than those set out in these General Conditions, the conditions more favourable to the insured will prevail.

For all coverages except where inapplicable.

1. Statements

1.1 Representation of risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. General Provisions

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable to property insurance only)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

3. Losses

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation

The Insured shall cooperate with the Insurer in the processing of all claims.

(The following two paragraphs are applicable to liability insurance only: Article 2504)

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.

3.8 Right of action (Article 2502)

(Applicable to property insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

4. Compensation and Settlement

4.1 Basis of settlement (Articles 2490, 2491, 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity, in the event of partial loss.

4.2 Pair and set (*Applicable to property insurance only*)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

4.3 Parts (*Applicable to property insurance only*)

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer re-serves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 1591, 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(Applicable to property insurance only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

4.8 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.9 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. Other Insurance

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same

basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. Cancellation (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each of the Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words “premium actually paid” mean the premium actually paid by the Insured to the Insurer or its representative, but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

7. Notice

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

Other Conditions

The Conditions shown below are deemed to be part of every contract of insurance in force in the province of Ontario:

Termination

- (1) This contract may be terminated,
 - (a) by the insurer giving to the insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered or delivered by prepaid courier if there is a record by the person who delivered it that the notice has been sent;
 - (b) by the insured at any time on request;
- (2) Where this contract is terminated by the insurer,
 - (a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Notice

- (1) Written notice may be given to the insurer in the following ways:
 - (a) It may be personally delivered at the chief agency or head office of the insurer in the Province.
 - (b) It may be sent by registered mail to the chief agency or head office of the insurer in the Province.
 - (c) It may be delivered by electronic means.
- (2) Written notice may be given to the insured named in the contract in the following ways:
 - (a) It may be personally delivered.
 - (b) It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.
 - (c) It may be sent by registered mail to the latest address of the insured on the records of the insurer.

(d) It may be delivered by electronic means, if the insured consents to delivery by electronic means.

(3) In this condition, the expression “registered” means registered in or outside Canada.

The Condition shown below is deemed to be part of every contract of insurance in force in the province of Manitoba:

Action

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.

The Condition shown below is deemed to be part of every contract of insurance in force in all provinces:

STANDARD MORTGAGE CLAUSE

(approved by The Insurance Bureau of Canada)

IT IS HEREBY PROVIDED AND AGREED THAT:

BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT

1. This insurance and every documented renewal thereof - AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN - is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the properly insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond sixty (60) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE, and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

RIGHT OF SUBROGATION

2. Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that - as to the Mortgagor or Owner - no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

OTHER INSURANCE

3. If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable there under shall be taken into account in determining the amount payable to the Mortgagee.

WHO MAY GIVE PROOF OF LOSS

4. In the absence of the Insured, or the inability, refusal or neglect of the Insured, to give notice of loss or deliver the required Proof of Loss under the Policy, the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

TERMINATION

5. The term of this mortgage clause coincides with the term of the Policy, PROVIDED ALWAYS that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.

FORECLOSURE

6. Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any Policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this Policy is made payable to the Mortgagee.

COMMON LIABILITY CONDITIONS

(All Provinces)

All Coverage Forms included in this Policy (except the Non-Owned Automobile Policy and the Owners and Contractors Protective Liability Coverage Forms, if applicable) are subject to the following conditions except if modified or supplemented by the forms and/or endorsements attached.

A. CANADIAN CURRENCY CLAUSE

1. All limits of insurance, premiums and other amounts as expressed in this Policy are in Canadian currency.

B. CANCELLATION

1. The first Named Insured shown in the Memorandum of Insurance may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Policy (i) in the event of non-payment of premium by giving the first Named Insured fifteen days' notice of cancellation by registered mail or five days written notice of cancellation personally delivered, and (ii) for any reason other than non-payment of premium by giving the Named Insured thirty days' notice of cancellation by registered mail or personally delivered. Except in Quebec, the fifteen days set out in subsection (i) and the thirty days applicable to cancellation by registered mail set out in subsection (ii) begins on the day following the receipt of the registered letter at the Post Office to which it is addressed.
3. In Quebec, the notice of cancellation from us under subsection 2(i) will take effect fifteen days after receipt by the first Named Insured, and the notice of cancellation from us under subsection 2(ii) will take effect thirty days after receipt by the first Named Insured.
4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
5. The policy period will end on the date cancellation takes effect.
6. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

C. CHANGES

This Policy contains all the agreements between the Named Insureds and us concerning the insurance afforded. This first Named Insured shown in the Memorandum of Insurance is authorized to make changes in the terms of this Policy with our consent. This Policy's terms can be amended or waived only by endorsement issued by us and made part of this Policy.

D. EXAMINATION OF THE NAMED INSURED'S BOOKS AND RECORDS

We may examine and audit the Named Insured's books and records as they relate to this Policy at any time during the policy period and up to three years afterward.

E. INSPECTIONS AND SURVEYS

We have the right but are not obliged to:

1. Make inspections and surveys at any time;
2. Give the Named Insured reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. PREMIUMS

The first Named Insured shown in the Memorandum of Insurance:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

G. TRANSFER OF NAMED INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY

The Named Insured's rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If an individual Named Insured dies, his or her rights and duties will be transferred to his or her legal representative, but only while acting within the scope of duties as the Named Insured's legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of the Named Insured's property will have the Named Insured's rights and duties but only with respect to that property.



You can reach CDSPI Advisory Services Inc. at:

1.800.561.9401

Fax: 1.866.337.3389

insurance@cdspi.com

cdspi.com

Accessible formats and communication supports are available upon request.

Visit cdspi.com/accessibility for more information.